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Who Does What:

Toward Implementation

Who Does What:

Toward Implementation

This reference document is a work in progress and will be periodically updated. All references to legislation which is currently before the Provincial Legislature refer to **proposed** legislative change only and should not be construed as presuming the outcome of the legislative process.



ISBN 0-7778-6949-7

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Disponible en français

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Update Pages

This package of update pages reflects changes that have occurred since ***Who Does What: Toward Implementation*** was originally printed in late November 1997. The update pages generally reflect substantive changes or important developments.

Generally, where the only change is that legislation which was **proposed** in November has subsequently been **passed** by the Provincial Legislature, updates have not been prepared. For the status of Who Does What legislation, please refer to the updated page 17.

Once these update pages are inserted in the binder, *Who Does What: Toward Implementation* should be considered to be the final version. Further updates are not anticipated.

Identical page numbers have been maintained to ensure that pages can be replaced easily.

As was the case with the original document, replacement pages are double-sided and printed on binder-ready paper.

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i. PREAMBLE

The Who Does What initiative is bringing about a fundamental realignment of provincial and municipal roles and responsibilities. It's a result of the desire of both levels of government and the tax payers of Ontario for better government that costs less.

In January 1997, the Government of Ontario announced comprehensive reform of the provincial-municipal relationship. The announcements followed months of direct consultation between both levels of government and other stakeholders through the Who Does What Advisory Committee. They also followed years of discussions and reports, and countless recommendations involving all stakeholders.

Since January's announcements, legislation has been introduced and many important legislative changes have been passed by the Provincial Legislature.

A number of significant changes have been made to the Who Does What initiative since January 1997. The changes have resulted from consultations with the municipal sector and other key stakeholders and Standing Committee hearings.

This document is intended to provide a comprehensive, up-to-date summary of Who Does What reforms and to give readers the information they need to move forward with implementation.

ii. INTRODUCTION

Who Does What: Toward Implementation has been developed as a tool for municipal and provincial officials to assist with the implementation of the comprehensive realignment of provincial and municipal roles and responsibilities. In addition to changes to service responsibility, this document also includes an overview of related municipal restructuring and labour adjustment legislation, development charges and tax rebate program changes, debt and investment provisions, and options for local service delivery in the north.

A number of the initiatives discussed in the document are subject to substantial changes as proposed legislation is considered by the provincial legislature. Ongoing discussions between the provincial government and representatives of the municipal sector will result in new information as implementation strategies, tools and municipal experiences emerge.

Who Does What: Toward Implementation is designed as a linked series of information modules that reflect each of the major Who Does What initiatives. The initiatives are grouped by major category. Namely:

- Revenue and Financing;
- Emergency Services;
- Social and Community Health Services;
- Transportation and Utilities; and
- Municipal Government - Other Key Services and Related Matters.

Each of the information modules contains:

- an **overview** describing the new legislative framework;
- key **municipal governance decisions**;
- **implementation options and requirements**;
- **administration and process** considerations;
- new **financing** arrangements;

-
- **tools** that are available to assist with the management of new responsibilities;
 - key **implementation issues**;
 - a summary table of **changing roles and responsibilities**;
 - **questions and answers**; and
 - a discussion of **shared experiences**, or a placeholder for emerging experiences.

In accordance with the *French Language Services Act, 1986*, the Government of Ontario provides services in French in 23 designated areas of the Province. What will happen when these services are transferred to the municipal level, since the *French Language Services Act* does not apply to municipalities?

This issue was discussed within government and by members of the Social and Community Health Implementation Team.

It was decided that municipalities will continue to meet the needs of the francophone community. The government will work in partnership with municipalities to develop options for the delivery of services in French. In the transfer of provincial programs to the municipalities, all service levels, including linguistic ones, will be negotiated on a program-by-program basis. Service agreements will be developed to formalise agreements reached by the municipalities and the Province in the negotiation process.

Who Does What: Toward Implementation is a reference document. It will support a broader education and training initiative that will evolve to meet the needs of Who Does What provincial and municipal partners throughout the implementation of these reforms.

This document is also available on the Internet at WWW.mmah.gov.on.ca/english.htm
For AMO Municom subscribers, this document, along with the full background material of the WDW process is available on the Municom Network site.

iii. CONTEXT

Who Does What is a major step toward more efficient and cost-effective government in Ontario. The reforms reflect many long-standing recommendations for change from both levels of government.

As the Who Does What initiative moves toward the first major stage of implementation in January 1998, plans to accomplish change are taking shape. In some cases, substantial changes to proposed reforms — based on new ideas and innovative responses to issues — are being integrated into implementation strategies. In other cases, details are being finalized as responsibilities for program delivery and funding change hands and new partnerships emerge.

Background and Common Ground:

Reforms announced in January and May 1997 are the culmination of many years of needed and much requested change in the roles and responsibilities of Ontario's provincial and municipal governments.

Although there have been a number of important initiatives over the past decade — some resulting in change — Who Does What is the first reform initiative to bring about fundamental changes to the way the two levels of government manage and fund key public services in Ontario.

The reforms are built on a number of common themes that reflect the goals of both the Government of Ontario and municipalities in every part of the province. Key among them are:

- greater accountability to taxpayers;
- protecting priority services and maintaining critical standards;
- streamlined service delivery;
- better rationalized funding responsibilities;
- capitalizing on local expertise and innovation; and
- greater autonomy for local government.

The Scope of Change:

The scope of change is enormous. Change is affecting both critical components of provincial and municipal business and smaller, yet integral, aspects of service funding and operations.

Finance

Reforms to assessment and property tax policy, including a major overhaul of education financing, are key components of overall reform. An up-to-date, province-wide assessment system and tax policies that provide greater decision-making at the municipal level provide a foundation on which the new provincial-municipal relationship is formed. Education finance reform provides for the financial tradeoffs that allow municipalities to take on new funding responsibilities in other areas.

The delivery and financial responsibility for assessment services is also being returned to the municipal level.

Other changes, although not directly linked to the January and May 1997 Who Does What announcements, will also affect the financial responsibilities of municipal governments. These include Bill 86, the *Better Local Government Act* (with provisions on debt issuance and investment), Bill 98, the *Development Charges Act*, and a proposed new *Municipal Act*.

Emergency Services

Substantial change is also occurring in emergency services. Improvements to the governance structures of municipal police services will provide municipal councils with greater authority to ensure that effective and cost-effective police services are provided in every community. Changes to the financing of Ontario Provincial Police Services will require municipalities currently receiving OPP services at no direct cost to begin paying for police services as of January 1998. Municipalities will also have greater choice in how services are provided.

New legislation governing fire protection and prevention consolidates fire legislation and extends new fire prevention responsibilities to municipal fire services. It also sets out new provisions covering labour and management relations that address concerns expressed by municipal councils.

Although ambulance services are primarily a health service, they are also an emergency service. As municipalities assume responsibility for the operation and

funding of land ambulance services, there will be important linkages to other municipal emergency services.

Social and Community Health Services

The consolidation of municipal services management will result in approximately 50 municipalities and service boards becoming responsible for the delivery of social and community health services in Ontario.

Reflecting current service delivery experience, the province will deliver the proposed Ontario Disability Support Program for people with disabilities, and municipalities will deliver Ontario Works. Sole support parents will be a part of Ontario Works responsibilities, and both programs will reflect an 80 per cent provincial and a 20 per cent municipal contribution for benefit costs and 50:50 cost sharing for administration. Municipalities will take on greater responsibilities in the child care system and a 20 per cent share of costs for all child care programs.

Although the original Who Does What proposals called for 50:50 cost sharing for long-term care services, in response to concerns expressed by municipalities, and as a result of other adjustments, municipalities will not be required to take on new costs for long-term care.

Municipalities, however, will be taking on new responsibilities in public health. With the exception of programs with province-wide dimensions such as vaccines for immunization and the control of infectious diseases, municipalities will take on 100 per cent of public health costs and will have the ability to tailor programs to meet local needs.

Municipalities will take on full funding responsibility and, ultimately, administration responsibility for social housing. Municipalities will also become responsible for the operation and funding of land ambulance services.

Transportation and Utilities

Provincial subsidies for municipal transit, GO Transit services, local airports and local ferries are all ending, and the province will no longer be involved in the delivery of these local services. In some cases, the province will continue to play a role in subsidizing local transportation services in Northern Ontario.

Municipalities will also assume responsibility for many provincial highways. New

standards for roads and bridges will ensure that public safety standards are maintained. Longstanding issues around municipal liability are addressed in the new standards.

Municipalities are assuming responsibility for septic system inspections. The province will continue to set standards and certify septic system inspectors and installers. Municipalities will also assume full title, including assets and liabilities, of water and sewer facilities previously held by the Ontario Clean Water Agency on behalf of the province. The move will fully rationalize sewer and water services at the municipal level of government.

Municipal Government - Other Key Services and Related Matters

Other municipal services and administrative responsibilities are also changing as a result of Who Does What.

The responsibilities under the *Provincial Offences Act* that will be transferred to municipalities include administration, prosecution and court support for certain offences, and administrative functions for more serious offences (for which the province will retain responsibility for prosecution). The transfer of responsibilities means a new revenue source for municipalities administering the Act.

The province will continue to be responsible for setting standards and monitoring justice.

There are also a number of changes that affect how services are delivered and funded. Restructuring tools in Bill 26 are highlighted and information is provided with respect to proposals for Area Service Boards in the north.

Finally, Bill 136 provisions governing municipal labour relations are explored.

Toward Implementation

Implementation planning is well under way. The two implementation teams established in April to advise the government have been a major force in planning the implementation of Who Does What reforms.

The Provincial-Municipal Implementation Team (PMIT) consists of municipal elected officials and is co-chaired by Ernie Hardeman, Parliamentary Assistant to the Minister of Municipal Affairs and Housing, and Terry Mundell, Immediate Past-President of the Association of Municipalities of Ontario (AMO).

The Social and Community Health Services Implementation Team (SCHSIT) also consists of municipal elected officials. SCHSIT is co-chaired by Jack Carroll, Parliamentary Assistant to the Minister of Community and Social Services, and Mr. Mundell.

In addition, expertise has been drawn from across the municipal sector and from key municipal professional associations.

As Ontario moves toward the full implementation of Who Does What initiatives, ongoing advice from municipal representatives and other stakeholders will inform the development of transition planning and implementation strategies.

iv. STATUS OF LEGISLATION

New Legislation:	Status:
Bill 26, <i>Savings and Restructuring Act</i> , 1996	Royal Assent January 30, 1997
Bill 84, <i>Fire Protection and Prevention Act</i> , 1997	Proclaimed , October 29, 1997
Bill 86, <i>Better Local Government Act</i> , 1996	Royal Assent December 19, 1996
Bill 98, <i>Development Charges Act</i> , 1996	Royal Assent December 8, 1997
Bill 104, <i>Fewer School Boards Act</i> , 1997	Royal Assent April 24, 1997
Bill 105, <i>Police Services Amendment Act</i> , 1997	Proclaimed November 27, 1997
Bill 106, <i>Fair Municipal Finance Act</i> , 1997	Royal Assent May 27, 1997
Bill 107, <i>Water and Sewage Services Improvement Act</i> , 1997	Royal Assent May 27, 1997
Bill 108, <i>Streamlining of Administration of Provincial Offences Act</i> , 1997	Second Reading February 27, 1997
Bill 109, <i>Local Control of Public Libraries Act</i> , 1997	Withdrawn November 7, 1997
Bill 136, <i>Public Sector Transition Stability Act</i> , 1997	Proclaimed October 29, 1997
Bill 142, <i>Social Assistance Reform Act</i> , 1997	Royal Assent November 28, 1997
Bill 149, <i>Fair Municipal Finance Act</i> , 1997 (No. 2)	Royal Assent December 8, 1997
Bill 152, <i>Services Improvement Act</i> , 1997	Royal Assent December 8, 1997
Bill 160, <i>Education Quality Improvement Act</i> , 1997	Royal Assent December 8, 1997
Bill 164, <i>Tax Credits to Create Jobs Act</i> , 1997	Royal Assent December 18, 1997

1.

Revenue and Financing

1. REVENUE AND FINANCING

1.1 ASSESSMENT SERVICES

1.1.1 Overview: A New Legislative Framework

Bill 164, *Tax Credits to Create Jobs Act, 1997* was introduced for first reading on November 25, 1997 and received Royal Assent on December 18, 1997. Schedule G, the *Ontario Property Assessment Corporation Act* established the Ontario Property Assessment Corporation. Every municipality in Ontario is a member of the corporation. The statutory duties now performed by the Assessment Commissioner (under the *Assessment Act*, among others) will be transferred to the Assessment Corporation. The Corporation will levy charges in accordance with the Act to be paid by municipalities (other than lower-tier municipalities) for whom it performs its duties, and the Corporation may levy charges against others.

The Province will continue to pay for the provision of services under the Assessment Act until the Corporation takes over the duties of the assessment commissioner. The Corporation is required to reimburse the Province for those services.

1.1.2 Governance Decisions

Individual municipalities will not face any immediate governance or service delivery implications. The Corporation's Board will be selected from a slate of municipal nominees provided by the Association Of Municipalities of Ontario (AMO).

1.1.3 Implementation: Options and Requirements

Provision is made for the transfer to individual municipalities of some or all of the duties performed by the Corporation for each municipality in accordance with the regulations. The first such function that may be transferred is the preparation of the assessment roll for the 2004 taxation year. By an agreement between the Corporation and a municipality, duties of the Corporation can be performed by the municipality for the Corporation. Agreements may take effect for the 2002 taxation year.

1.4 Administration and Process

The Ontario Property Assessment Corporation will negotiate with the province on the details of the operational transfer, including issues such as staff transfer, salaries, benefits, pensions, fixed assets transfer and databases.

1.1.5 Financing

The transfer of the financial responsibility for assessment services took place on January 1, 1998. Pending the completion of the operational transfer, the Ministry of Finance will bill the Corporation for assessment services.

1.1.6 Implementation Tools & Supporting Information

The transfer will provide the opportunity to investigate possible integration of some related municipal business practices with assessment operations.

For example, building inspections could be done by one inspector for both assessment and building code purposes; and the production of maps and plans through Geographic Information Systems (GIS) could be shared among Assessment Services and municipalities in order to reduce duplication of data collection, updating, inputting and production.

1.1.7 Implementation Issues

The Board of the Corporation will negotiate the issues associated with the operational transfer and a Memorandum of Understanding will be completed.

1.1.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Assessment Services		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">the province will continue to manage the legislative framework for the municipal financial system	<ul style="list-style-type: none">municipal sector will negotiate service transfers with province to the new municipally controlled service delivery model
Service System Management	<ul style="list-style-type: none">system standards will be established through negotiations with delivering body	<ul style="list-style-type: none">the new delivery system will be managed within the municipal sector
Service Delivery	<ul style="list-style-type: none">the province may be a consumer of certain assessment services or data.	<ul style="list-style-type: none">new service delivery body will deliver and fund assessment services

1.1.9 Qs and As

Why is the responsibility of assessment delivery being transferred to local governments?

The province took responsibility for assessment from municipalities in 1970. The plan was always to return it to municipalities once re-assessment was applied consistently across the province.

1.1.10 Sharing Experiences

Because assessment service has been a provincial responsibility since 1970, there are no current arrangements which include municipalities.

1.2 MUNICIPAL ASSESSMENT AND TAXATION

1.2.1 Overview: A New Legislative Framework

STATUS OF LEGISLATION:

The *Fair Municipal Finance Act* was enacted May 27, 1997.

Bill 149, the *Fair Municipal Finance Act* (no.2), augments the first Act, and many of the amendments are consequential to the amendments made in the *Fair Municipal Finance Act*, 1997.

Together, these two pieces of legislation provide the structure for the new assessment system and new tax policy options for municipalities. The new system, in aggregate, has elements originating from both, but must be viewed in aggregate to have a comprehensive understanding of the proposed new system.

Legislation will be supplemented with regulations and the new *Municipal Act* as part of *Municipal Act* reform Part II (Part I was Bill 86, *Better Local Government Act*, 1996).

Provided Bill 149 receives Royal Assent before the end of 1997, its provisions will be effective for the 1998 taxation year.

OVERVIEW OF LEGISLATION

The Ontario Fair Assessment System

In many areas of the province, the assessment base is seriously outdated, resulting in confusion and unfairness for some taxpayers. The new Ontario Fair Assessment System brings consistency to assessment across the province, leading to a simpler, more up-to-date property tax system.

The assessment of land will be based on current value, as measured by the price that would be paid between a willing buyer and a willing seller at arm's length. All properties will initially be assessed using June 1996 current values. Reassessment updates will be implemented in 2001 (using 1999 current values) and 2003 (using 2001 current values) before moving to annual updates for 2004.

Classes of Property

Properties will be divided into seven property classes established by the province.

Additional property classes may be created by the province. Municipalities cannot create property classes.

Variable Class Tax Rates

The term tax rate replaces "mill rate." The difference between mill rate and tax rate is that a tax rate expresses the amount of tax as a percentage of assessed value, whereas a mill rate refers to the amount of tax for every \$1,000 of assessment. Municipalities will have the ability to set different tax rates for different classes of property.

Tax Ratios

Tax ratios express the relationship that the tax rate for each property class in the municipality bears to the tax rate for the residential/farm property class. The tax ratios will determine the relative tax burdens of each property class. Tax ratios will be established by upper tier and single tier municipalities. Upper tiers may delegate this authority to their lower tier municipalities subject to certain conditions.

Transition Ratios

In the first year the new system comes into force (i.e., the 1998 taxation year), the province will establish tax ratios for each upper tier or single tier municipality, or provide them with a method by which the ratios can be calculated. These ratios will be known as transition ratios. These starting points will enable municipalities to share the tax burden among classes under the new system in the same way that the burden was shared under the prior system. Business class transition ratios will include the revenues formerly raised by the Business Occupancy Tax.

Tax Ratio Ranges

Upper tier and single tier municipalities will have greater flexibility in deciding on the share of taxes to be borne by different property classes than under the current system. However, municipally determined tax ratios must adhere to the tax ratio ranges (ranges of fairness) to be established by the province. If the transition ratio for the municipality falls outside the tax ratio range established by the province, the municipality may set the tax ratio to maintain the transition ratio or move closer to the tax ratio ranges. Municipalities will not be allowed to set tax ratios which move further away from the tax ratio ranges.

Elimination of Business Occupancy Tax

The Business Occupancy Tax (BOT) no longer makes sense in today's environment. Outdated and arbitrary, the BOT is the source of a large portion of municipalities' tax

arrears, and municipalities have long asked for its elimination. Through the introduction of variable class tax rates, municipalities can choose to recover municipal revenue equivalent to that raised through the BOT from any or all property classes in the form of realty tax on property owners. The tax burden that is placed on the properties in the various property classes will still have to conform to the provincial ranges of fairness.

Elimination of the Farm, Managed Forests and Conservations Lands Tax Rebates

The Farm Tax Rebate program as well as similar programs for Managed Forests and Conservation Lands will be eliminated after the 1997 taxation year. A specific *tax ratio* is being established for farm properties and outbuildings based on 25 per cent of the municipal residential rate. Qualifications for farmland and outbuildings will be consistent with current qualifications for the Farm Tax Rebate program.

The farm residence and one acre of farmland, when occupied by the farmer, will be assessed as residential and taxed at the residential rate.

Eligible Managed Forests will be taxed based on 25 per cent of the residential rate. Eligible Conservation Lands will be tax exempt.

Simplified Assessment Appeals Process

The role played by the Ontario Municipal Board in the property assessment appeals process is being eliminated. In future, assessment appeals will be made only to the Assessment Review Board. Points of law may be appealed to the Courts.

REGULATIONS REQUIRED UNDER BILL 106

Ministry of Finance - Assessment Act

1. Subsection 2(2) - Define "conservation land" for the purposes of paragraph 25 of section 3, define "conservation land" and "managed forest land" for purposes of subsection 19 (5.2).

New clauses 2(2) (d.1) and (d.2) provide authority for the Minister of Finance to prescribe procedures for determining land to be classified as farmland and managed forest, for land to be exempt as conservation land, and for appealing such determinations.

2. Section 5 - Amended section 7 allows Minister of Finance to prescribe "classes of real property" and define what is included in a class.
3. Subsection 10(2) - Prescribe procedures to be used by a person applying to the assessment commissioner under subsection 16(3) to add to or change school

support information on the assessment roll.

4. Section 12 - New subsections 19(2) and (3) allow the Minister of Finance upon request from municipalities to make regulations providing that current value of eligible land be based on current use if the land would otherwise have a higher current value because of other uses to which the land could be put. The regulation would prescribe what land is eligible for this treatment and provide that municipalities must opt in. (Permissive, not required).

New subsection 19(5) permits the Minister of Finance to prescribe "other buildings" on property, in order to value the underlying land at farm land values.

5. Subsection 16(1) - Section 25 is amended to provide that pipelines shall be assessed in accordance with regulation.

Ministry of Municipal Affairs and Housing - Municipal Act

1. Subsection 51(14) - A new subsection 220(35) allows the Minister of Municipal Affairs and Housing (MAH) to prescribe classes of real property as business property classes for the purposes of business improvement areas.
2. Section 55 - New subsection 363(8) allows the Minister of MAH to extend time limits for municipalities to set tax ratios, requiring municipalities to provide information concerning tax ratios to the Minister and requiring municipalities to give notice of tax ratios to such persons and in such manner as are prescribed.
3. Section 55 - New subsection 363(10) allows the Minister of Finance to prescribe the allowable tax ratio ranges, prescribe transition ratios and designate municipalities to set tax ratios outside the ranges.
4. Section 55 - New subsection 364(19) allows the Minister of MAH to make regulations designating an upper tier municipality for delegation purposes, prescribing conditions that must be met before a delegation can be made, extending the time limits for making designations, governing requisitions or levies made by an upper tier and other matters regarding delegations.
5. Section 55 - New subsection 366(15) allows the Minister of MAH to make regulations extending the time for passing an upper tier rating bylaw in any year.
6. Section 55 - New subsection 371(1) allows the Minister of MAH to make regulations establishing the maximum amount that an upper tier and lower tier can range on an interim basis, and also allows the Minister to prescribe interim levies of less than 50 per cent for 1998.

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7. Section 55- New subsection 373(5) allows the Minister of MMAH to make regulations governing the determination of an assessment related tax increase for tax deferral purposes.
 8. Section 55 - New subsection 374(2) allows the Lieutenant Governor In Council (LGIC) to make regulations prescribing the basis on which apportionments, levies and requisitions are made by municipalities, conservation authorities and local boards.

REGULATIONS REQUIRED UNDER BILL 149

Ministry of Finance - Assessment Act

1. Subsection 2(4) - Amended subsection 2(2) allows the Minister of Finance to make regulations in relation to public hospitals that chose to continue the section 3 tax exemption for the land and continue the "heads and beds" payments.
2. Section 5 - New section 3 provides that the Minister of Finance shall prescribe subclasses for farmland pending development, vacant land, vacant units and excess land and eligible theatres.
3. Section 9 - New subsection 19(5.4) provides that subsection 19(5) which deals with the valuation of farmland, does not apply in circumstances prescribed by the Minister of Finance.

Ministry of Municipal Affairs and Housing - Municipal Act

1. Section 25 - section 157 is amended to permit the Minister of Finance to adjust payments-in-lieu of taxes based on rated capacity of institutions by regulation.
2. Subsection 27(2) - Amended subsection 159(3) permits the Minister of Finance to determine the percentage of gross receipts that is required to be paid as tax.
3. Subsection 32(2) - Amended section 363 permits the Minister of Finance to make regulations concerning transition ratios for restructured municipalities.
4. Section 33 - New subsection 363(17) permits the Minister of MMAH to make regulations varying the percentage limits on an upper tier's levy.
5. Section 34 - New section 368.1 requires the Minister of Finance to prescribe percentage reductions of tax rates applicable to the farmland pending development and eligible theatres in Toronto subclasses. Percentage reductions

for vacant land and vacant units and excess land in the commercial and industrial classes are specified in legislation.

The Minister of Finance is also allowed to regulate the application of bylaws made under this section and section 368.2.

6. Section 35 - New section 368.2 allows the Minister of Finance to make regulations to provide for graduated tax rates for the commercial class.
7. Section 36 - New section 368.3 allows the Minister of Finance to make regulations prescribing tax rates to be applied to each geographic area as defined in the Act. The Minister of Finance may also make regulations providing for transition rules to 2005.
8. Subsection 39(1) - Amended section 371 allows the Minister of MMAH to make regulations prescribing percentages for the purposes of regulating limits on interim levies.
9. Section 40 - New section 371.1 allows the Minister of Finance to make regulations governing the distribution of payments in lieu of taxes received by municipalities.
10. Section 43 - New section 373.1 allows the Minister of MMAH to make regulations governing the taxation of international bridges and tunnels.

Ministry of Municipal Affairs and Housing - other Acts

1. Subsection 60(10) - Amended subsection 43(3) of the London-Middlesex Act, 1992 allows the Minister of MMAH to make regulations varying the payments that the City of London must pay as compensation to Middlesex County due to the dissolution of the Roads Commission.
2. Subsection 61(2) - new subsection 1(2) of the *Municipal Extra-Territorial Tax Act* permits the Minister of MMAH to prescribe property classes for the purposes of this Act.
3. Subsection 62(2) - Amended subsection 4(4) of the *Municipal Tax Assistance Act* allows the Minister of Finance to make regulations to authorize payments in lieu of taxes on property that is not taxable, subject to several conditions including inclusion in a taxable class of property and a maximum limit on the amount payable.

1.2.2 Governance Decisions

The entire assessment and taxation system is new. As such, there are decision points at almost every step of the process. However, two of the most important decisions which will be made by upper tiers and single tiers are:

1. Tax Ratio Setting

Municipalities have greatly augmented tax policy powers. Under the new system, upper tier and single tier municipalities will be able to set different rates of tax on each property class, subject to parameters established by the province. Tax ratios determine the relative tax burden on various property classes.

2. Phase-in Scheme

Upper tier and single tier municipalities may phase in property tax changes resulting from the 1998 reassessment over a period of up to eight years. The design of the phase-in scheme is at municipal discretion.

1.2.3 Implementation: Options and Requirements

Financial responsibility for assessment delivery will be devolved to the municipal sector on January 1, 1998. Discussions are under way as to the type of structure that will be in place. (See Section 1.1 of this document.)

1.2.4 Administration and Process

Tax ranges, ratios and rates:

Currently, municipalities levy a basic mill rate against commercial and industrial property. The mill rate for residential and farm assessment is set at 85 per cent of the mill rate for commercial and industrial assessment. This rigid relationship prevents municipalities from changing the tax burdens faced by different classes of property. **Under the new system, municipalities will be able to set different rates of tax on each property class, subject to tax ratios and ranges of fairness established by the province.**

Municipal Responsibility to set tax rates:

Each year, **both upper tier and lower tier municipalities are expected to adopt estimates** that shall set out the revenues and expenditures of the municipality. In the case of upper tiers, the estimated amount shall be raised through a rating **bylaw which has to be passed by the council of the upper tier by March 31 (except in 1998).**

The bylaw should set out the tax rates to be levied for upper tier purposes by each lower tier municipality on the rateable assessment of the different property classes. The same tax rates must apply in all the lower tier municipalities within the upper tier.

In order to raise the estimated amounts for lower tier purposes, **lower tier councils shall pass bylaws** to levy separate tax rates on the rateable assessment in the separate classes of property.

The tax rates which are levied by both upper tiers and lower tiers **must be proportionate to the tax ratios** that have been established for that taxation year.

Interim Financing for Upper Tiers:

Except for counties, an upper tier council can pass a bylaw to raise a portion of the upper tier levy from each of the local municipalities before the adoption of the upper tier estimates for the year. The bylaw can specify how much of the amounts should be forwarded to the upper tier before particular dates.

The sums requested by the upper tier from any of the lower tiers must not exceed 50 per cent of the amount that was requested from the lower tier municipality in the previous year's upper tier rating bylaw. If Bill 149 is passed in its current form, the minister could increase this percentage to take into account new responsibilities to be taken on by the upper tiers under the Who Does What initiative.

Counties do not have specific authority to impose interim levies on their local municipalities -- unlike regions. However, the authority to raise the general county levy includes a provision that sets out the instalments in which the general levy is to be paid and the dates on which they are to be paid by the lower tiers. The first and second **instalments are required to be paid before March 31 and June 30** respectively and will provide the interim funds that the county needs. Under Bill 149, these amounts could be altered in recognition of the new responsibilities to be taken on under the Who Does What initiative.

Lower tier interim financing for 1998:

The requirements for lower tier municipalities to raise interim financing for 1998 are different from the requirements for 1999 and subsequent years.

Different methods would be used to determine the 1998 interim taxes for properties to which the residential mill rate applied in 1997 and those to which the commercial mill rate applied.

Residential/Farm

For properties to which the residential mill rate applied in 1997, the interim levy for 1998 would be determined by applying a percentage of the 1997 residential mill rate to the most current 1997 assessment (1997 assessment roll as last revised by the Assessment Commissioner). The maximum percentage to be applied may be prescribed by regulation. Where no regulation is passed to prescribe a percentage, council can apply up to 50 percent of the residential mill rate levied in 1997.

Commercial and Industrial

The interim levy for properties to which the commercial mill rate applied would be determined by applying to the most current 1997 realty assessment the mill rate that would raise no more than a prescribed percentage of the total taxes (including business taxes) raised on the total commercial and industrial assessment in 1997. If no percentage is prescribed, then the amount raised should not be more than 50 per cent of the total 1997 taxes.

Lower tier interim financing for 1999 and subsequent years:

Before the adopting of the estimates for the year, the council of a lower tier municipality can pass a bylaw to raise a portion of the revenue requirement of the municipality by imposing a separate tax rate on the rateable assessment in each property class. The amount expected to be raised from any property class must not exceed 50 per cent of the amount raised the previous year from all the properties that are currently in the class. Furthermore, the minister may prescribe the maximum amount that lower tiers can raise on an interim basis. Where a limit is prescribed, the interim levy that a municipality imposes on a property class cannot exceed that limit.

Delegation:

An upper tier municipality may delegate its tax ratio setting authority to its lower tiers. The following time lines must be adhered to when a delegation is contemplated:

- the **upper tier** bylaw must be passed by **January 15** of the year in which the delegation is intended, this bylaw must include an indication of how upper tier costs will be apportioned;
- the council of every **lower tier** municipality has to consent to the delegation through a council resolution before **January 15** of the year;
- upper tier municipalities **cannot amend or repeal bylaws** passed to delegate the tax ratio setting authority after **January 15**;

-
- the lower tier municipalities delegated the authority to set tax ratios must pass bylaws setting the ratios on or before **March 15** of the year; and
 - the minister must designate the upper tier municipality, for the purposes of delegation, before **March 1** of the year in which an upper tier passes a bylaw.

Tax phase-in:

Upper tier and single tier municipalities can pass bylaws to phase in tax increases or decreases for education and municipal purposes arising directly from the implementation of the new assessment base. However, local municipalities are required to pay the full education levy to school boards, even when tax increases or decreases for education purposes are being phased in.

Municipalities that choose a phase-in must begin in the 1998 taxation year and phase in over a maximum period of eight years. Municipalities can phase in tax increases and decreases at different rates, but the rates should be uniform across the entire upper tier or single tier. Ratepayers will pay full taxes in the ninth year. Municipalities may choose to phase in a tax increase or decrease over a shorter period of time, but the amount to be phased in any year must be the same or less than the amount phased in the previous year. There can be no "back-end loading."

Tax deferral:

Under the new provisions, single tier and upper tier municipalities will be required to pass a bylaw to defer, cancel or provide other relief with respect to all or part of the increases in municipal and education taxes resulting from changes to the assessment of property in the residential/farm property class owned by low income seniors or low income persons with disabilities or their spouses. Municipalities will have the flexibility to determine the amount of relief and the type of relief. They will also have the flexibility to define what constitutes low income senior and disabled for the purposes of the program.

Appeals:

A new assessment appeal process offers a simplified dispute settlement process for taxpayers who wish to appeal their property assessment or classification.

1.2.5 Financing

This section (*Financing*) throughout this document refers to the financing of municipal

service responsibilities. As such, it is not applicable in the context of new assessment and taxation policy.

1.2.6 Implementation Tools & Supporting Information

The Ministries of Municipal Affairs and Housing and Finance have developed a bulletin on the new assessment and taxation system in Ontario. MMAH is developing a request for proposal for consultant services for the development of a software package to assist municipalities with assessment implementation decisions. The intent is to allow municipalities to simulate various tax ratio and phase-in options and scenarios.

1.2.7 Implementation Issues

There are a number of tax and assessment decisions outstanding -- both regulations that have not been finalized, and Bill 149 which has not yet received Third Reading. These decisions are expected to be made before the end of the year.

There is a multiplicity of decision-making points as implementation proceeds.

The following examples are just a sampling of some of the varied decisions municipalities will encounter. They are intended to illustrate a variety of potential responses to implementation issues.

In two tier situations, it is the upper tier that will need to make the decisions.

Example one

Currently, all properties within a class are faced with the same tax rate within a municipality. With the introduction of multi-tiered tax rates, the upper tier and single tier municipalities may establish two or three bands of property assessment to facilitate graduated tax rates for the commercial property class. This provides flexibility to apply a lower tax rate to lower valued commercial properties. That is, it will lower the rate on a portion of the value for all commercial properties. For example, a municipality may set a threshold of assessed value. The municipality would then tax the portion of each commercial property's assessed value below this threshold at a lower tax rate. This could have the effect of taxing small retail stores and neighbourhood shopping districts at a lower effective rate. However, this tax break for the lower valued properties comes at the expense of larger higher valued commercial properties which will be required to pay proportionally more, given the requirement to maintain the overall same amount from the property class.

Example two

Property taxes on multi-residential apartment buildings are often singled out as a significant deterrent to new rental accommodation building construction. In an effort to stimulate new construction, there is provision to permit favorable property tax treatment for new rental accommodation. Municipalities may request the government to permit a separate tax class for new rental apartment buildings. Municipalities may set a tax rate for these buildings as low as the rate applicable to single family residential property. A building included in this class is to remain in the class for eight years.

Example three

Under the old system, commercial and industrial properties occupied by non-profit organizations were taxed at the residential rate and paid no Business Occupancy Tax. Implementation of the new assessment and tax system will result in these properties being taxed at the higher commercial rate. The rebate program permits municipalities to make rebates to eligible charities and similar organizations for the purpose of giving them tax relief. The maximum rebate is set in legislation at 40 per cent.

1.2.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects strategic planning, service system management and service delivery responsibilities.

Roles and Responsibilities: Tax Policy		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">establishes legislative frameworkestablishes provincial ranges of fairness and appeals process	<ul style="list-style-type: none">plan for new tax powers
Service System Management	<ul style="list-style-type: none">assessment base update for 1998 vis a vis assessment function and property classesdevelops tools to assist municipalities with new decision making responsibility	<ul style="list-style-type: none">set policy for phase-in, BOT recovery, multi-tiered tax rates for commercial properties, tax ratios and rates, etc.
Service Delivery	<ul style="list-style-type: none">see section on assessment services	<ul style="list-style-type: none">see section on assessment services

1.2.9 Qs and As

How is Ontario Fair Assessment System different from a market value system?

It is different in a number of ways, including:

- it ensures regular update of assessment values;
- assessment will be based on three-year rolling average of values to increase stability and certainty;

-
- multi-use properties taxed on basis of their actual use rather than predominant use;
 - farmlands, managed forests and conservation lands assessed at their current use;
 - municipalities may request the minister to value certain other properties on their current use;
 - municipalities can request new property class for new multi-residential properties;
 - municipalities have ability to shift tax burdens among property classes within provincial parameters;
 - municipalities can set lower tax rates for lower-valued commercial property;
 - creates tax rate for eligible farmland and managed forests at 25 per cent of tax rate applicable to residential properties;
 - exempts conservation lands from property tax;
 - permits a staged approach to assessment and taxation of farmland pending development;
 - allows an optional eight-year phase-in of assessment related changes; and
 - protects low income seniors and disabled homeowners.

Bill 149

What is the purpose of creating sub-classes of property?

Sub-classes of property may be created for the purposes of tax reductions. Bill 149 proposes a staged approach to taxation of farmland pending development. Sub-classes also provide relief for vacant commercial and industrial property which would otherwise be taxed at full commercial or industrial rates.

What is the purpose of permitting graduated tax rates for commercial properties?

Multi-tiered tax rates provide flexibility for municipalities to apply lower tax rates to lower valued commercial properties. That is, it could lower the rate on a portion of the value for all commercial properties.

Given the need for maintenance of inter-class tax ratios, are the higher valued properties subsidizing the lower tax rate applicable to the lower valued properties?

Yes. The amount of revenue to be raised from the aggregate commercial class does not change. However, the effective tax rate below the threshold is lower than that above; therefore, those properties at the high end pay an additional amount to subsidize those at the lower value.

How wide will the bands be?

Under Bill 149, municipalities would have the authority to establish the bands. However, the Minister of Finance has authority to impose some control by regulation if he chooses.

Will graduated tax rates for commercial properties apply to education taxes?

At this point, graduated tax rates for commercial properties only apply for municipal purposes.

The *Fair Municipal Finance Act* includes phase-in provisions for municipal tax changes resulting from reassessment. Why does Bill 149 also include phase-in provisions?

The proposed *Fair Municipal Finance Act* (Bill 106) allows municipalities to phase-in municipal tax changes resulting from reassessment over a period of up to eight years. Bill 149 would extend that provision to include the education portion of property taxes.

Does an eight-year phase-in mean there is still some tax relief in the eighth year, or do ratepayers pay full taxes in the eighth year?

The phase-in begins in 1998 and ends in 2005. In 2006 full taxes apply.

Will changes resulting from a municipality's decision to move within or toward the provincial ranges be phased in?

No. Tax changes resulting from a municipal decision to change ratios are not subject to phase-in.

What is included in an "assessment related" change? Can municipalities provide phase-in for everything other than a general levy increase?

An assessment-related tax increase or decrease for a property is the tax increase or decrease on a property between 1997 and 1998 strictly as a result of the change in the assessment system. Only assessment-related increases or decreases can be phased in by municipalities.

The amount to be phased in for a property, referred to as the "1998 assessment-related tax increase or decrease", would be determined according to the following formula:

$$\text{Amount} = \frac{1997 \text{ Taxes}_{(\text{class})}}{1998 \text{ Assessment}_{(\text{class})}} \times 1998 \text{ Assessment}_{(\text{property})} - 1997 \text{ Taxes}_{(\text{property})}$$

Where,

- 1997 Taxes_(class) means the total 1997 taxes municipal and school purposes, including business taxes, paid by properties in the class to which the property belongs in 1998.
- 1998 Assessment_(class) means the total assessment in the property class to which the property belongs in 1998.
- 1998 Assessment_(property) means the assessment of the property for 1998.
- 1997 Taxes_(property) means the 1997 taxes for municipal and school purposes on the property, including business taxes on persons carrying on a business on the property.

How can municipalities produce phase-in scenarios when the impact studies do not provide specific property information?

Preliminary property specific information will be made available to municipalities in early January.

How will existing phase-in schemes (s 363 & 364) be handled?

Municipalities will have to pass a bylaw during 1998 to continue existing phase-in schemes if they choose to continue them.

The *Fair Municipal Finance Act* requires municipalities to provide property tax deferrals. Why does Bill 149 require additional property tax deferrals?

The *Fair Municipal Finance Act* requires municipalities to provide a program of tax relief on the municipal portion of property tax paid by low income property owners who are seniors or have disabilities. Bill 149 would extend that protection to cover the education portion of property taxes.

Why is the determination of tax relief (deferral) at the upper tier level?

Determination of tax deferrals is at the upper tier because of the need for consistency through a broader tax jurisdiction and coordination of the tax ratio setting authority and tax phase-in scheme.

Will municipalities be reimbursed for the education portion of a tax deferral?

Yes. Municipalities have the authority to charge back costs of the deferral to the school boards.

Can a municipality's interim levy be calculated using the 1997 revised assessment roll?

For the 1998 interim levy, municipalities will be required to use the 1997 revised assessment roll.

In restructured municipalities, the new council will not be in place until January 1998. Should power to set the interim levy be given to an outgoing council?

Under Bills 106 and 149, the outgoing council does not have the authority to establish the new interim levy. But the new council **can meet the first week in January and still have time to get interim tax bills out early** in the new year.

Since upper tier municipalities in a tiered structure set tax ratios and establish phase-in provisions and tax deferrals for low income seniors and disabled homeowners, will upper tier municipalities receive an assessment roll?

Yes.

How are payments in lieu of taxes to be shared?

Sharing will be outlined in regulation.

Are international bridges payments to be shared with the upper tier and school boards?

Bill 149 specifies that bridges are taxed only for municipal purposes. Thus, payments will be shared with upper tiers only.

Are all farm properties included in the new class, or only those farm properties which qualified for a farm tax rebate?

Criteria will be established in regulation.

What percentage of gross receipts will be required to be paid as Gross Receipts Tax?

The percentage will be established in regulation and paid to the province.

1.2.10 Sharing Experiences

As new assessment and tax policy is brand new and not yet implemented, it is too soon to provide examples of *municipal experiences*. However, as information becomes available, it may be provided as an update to this document and inserted in place of this *placeholder* page.

1.3 EDUCATION FINANCING

1.3.1 Overview: A New Legislative Framework

The *Fewer School Boards Act, 1997* (Bill 104), establishes new District School Boards as of January 1, 1998.

The *Education Quality Improvement Act, 1997* (Bill 160) deals with areas of school board governance, education finance, and teachers' collective bargaining.

The provincial government assumes the responsibility of setting education tax rates for all property classes and school boards will no longer raise taxes for their own purposes.

The province will set rates for residential properties; the municipality will collect the taxes and forward the revenues to the local school boards. Supporters of public, Catholic or French-language education would still be able to identify their support for the school system of their choice. The Premier has stated that once these rates are set for 1998 they would be frozen for three years.

The province will also set the rates for business support for education. Municipalities will collect these revenues and forward them to the local school boards on the basis of enrolment.

In addition, the province will use other provincial revenues to pay for the grants which all school boards will receive, based on student needs.

1.3.2 Governance Decisions

Under the *Fewer School Boards Act, 1997*, the 129 major school boards will be replaced by 72 district school boards (31 English public boards, 29 English Roman Catholic boards, four French public boards and eight French Roman Catholic boards).

In more isolated areas, the 37 school authorities will be retained. These authorities usually operate a single school.

1.3.3 Implementation: Options and Requirements

Bill 160 will provide for the implementation of a new education funding model as of **September 1998**.

The fiscal year for school boards will change to September 1 to August 31. In the interim, school boards will operate under a short fiscal year from January 1, 1998, to

August 31, 1998. This will allow funding levels announced in November to come into effect the following September, providing school boards with information about their funding levels well in advance to allow time to plan the use of their resources.

1.3.4 Administration and Process

Municipalities will continue to levy and collect education taxes based on provincially determined tax rates. Municipalities also will continue to pay education tax levies to school boards on a quarterly basis.

Residential education taxes will continue to be designated by owners or tenants to the different school systems. Business education taxes will be shared among the local school boards on an enrolment basis.

The Minister of Finance will set the rates for education taxes after more detailed information has been collected through the reassessment of properties, which is currently under way across Ontario.

1.3.5 Financing

Residential taxes for education purposes will be reduced by \$2.5 billion or 50 per cent, and this vacated tax room would be transferred to municipalities. The province will set a single uniform tax rate for all residential/farm properties and multi-residential properties. This rate will be frozen. The province will also set the education tax rates for business properties.

School boards will be exempted from municipal user fees and charges under subsection 220.1(2) of the *Municipal Act* (including tax collection and election charges). Exceptions to this exemption could be provided by regulation.

1.3.6 Implementation Tools & Supporting Information

This section is not applicable at this time.

1.3.7 Implementation Issues

Municipalities, under Bill 149, will phase in assessment-related changes for education taxes as they do for municipal taxes. The province is willing to look at phase-ins of tax rate changes if these are necessary to help people to manage any transitional impacts.

1.3.8 Changing Roles and Responsibilities

This section is not applicable for education financing.

1.3.9 Qs and As

Education Taxation

How would education be funded?

School board revenues will come from a combination of residential and commercial property taxes plus provincial grants:

- The province will assume responsibility for setting the rate for residential education property tax; on average, many residential properties would see an education tax decrease of about 50 per cent, although this may vary depending on the level they are paying now.
- The province will assume responsibility for an additional \$2.5 billion in elementary/secondary education funding through increased provincial grants.
- The province will also assume the responsibility for setting the rate for business education property tax, which municipalities will collect and distribute among school boards serving their municipality according to enrolment. This means that business will continue to support education and the revenue raised from business property taxpayers will remain in the community in which it was raised.

Are school boards still in the taxing business?

Given the new funding model, school boards have no need to tax.

Does the government's proposal to assume the responsibility for setting residential education property tax rates mean that education is not off the residential property tax base as indicated earlier?

The province initially said it would pay all education costs and have municipalities assume additional social assistance and other costs. However, in response to municipalities' concerns about being exposed to the ups and downs of social assistance costs, the province agreed to return to the 80/20 cost sharing on social service and retain 50 per cent of existing residential taxes for education.

What would the residential education property tax rate be?

Residential properties across the province will collectively pay half as much education tax (in total) under the new system, a reduction from \$5 billion to \$2.5 billion. Rate-setting will occur after reassessment information on the new tax base is available.

Does the new funding model mean a resident's tax dollars would still go to support the neighbourhood school?

Residential property owners will continue to have the right to designate their property taxes to the school system they support. This revenue will be collected by municipalities and sent directly to school boards in the resident's area.

Business owners will also support education through property taxes collected by the municipality. Education taxes paid by business owners will go to local school boards on the basis of their enrolment.

Are you pooling business taxes?

No. Business taxes will stay in the community in which they are raised and would be shared on the basis of enrolment among the school boards serving that community.

Will residential or business education taxes increase?

Once established, the residential education tax rates will be frozen for three years. The province is awaiting more information on the business assessment base before setting business education taxes, but expects to reduce taxes, not increase them.

New Education Funding System

What would the new funding model achieve?

Ontario educates more than two million students in about 5,100 schools, spread across a large geographic area with a great range in population distribution, characteristics and needs. Schools vary widely in setting and access to resources. The proposed funding model is intended to equalize the resources available so that students across the province would have access to the same quality of education.

The new funding model would:

- fund all students according to their needs, not the local taxation base;
- provide parents with a clear basis for assessing the financial performance of their school board;

-
- provide funds to recognize the cost of educating students, including special circumstances such as students learning English as a second language; students with special needs; and students in remote communities; and
 - address the added transportation and heating expenses associated with providing education in the North and the special education needs in the urban centres of immigrant populations.

What is the structure of the new education funding model?

The model will be used to calculate a school board's total budget based on things such as the number of students, location of the board, the size and distribution of schools, the need for transportation, language training, pupil accommodation requirements and a variety of other factors.

The budget for each board will have three components:

- a foundation grant to provide the base level of education to every student in Ontario;
- special purpose grants which recognize the different needs of students and school boards;
- a pupil accommodation grant which covers building maintenance, renovation and repairs of existing space, and the acquisition of new space (including new construction, leasing, etc.).

1.3.10 Sharing Experiences

This section is not applicable.

1.4 DEBT ISSUANCE AND INVESTMENT

1.4.1 Overview: A New Legislative Framework

The *Better Local Government Act, 1996* (Bill 86), represents the first phase of a comprehensive rewriting of Ontario's municipal legislation and includes several provisions relating to municipal debt issuance and investment.

The Act received Royal Assent on December 19, 1996, and the debt issuance and investment provisions were proclaimed on March 5, 1997.

The changes relating to municipal debt issuance and investment fall into three categories:

- new provisions, consolidation of provisions and housekeeping, which includes removing unnecessary OMB references;
- clarification of wording and authority; and
- removal of archaic and redundant provisions and wording.

New provisions include a new regime for investment and authority to issue variable rate debentures and permit flexibility in the frequency of interest payments. The main borrowing provisions, including foreign currency borrowing, have been consolidated. References to the requirement to obtain prior OMB approval for various financing and financial management matters are no longer necessary, due to changes brought about in 1992 to the capital project approval process. Inconsistent, unclear and archaic provisions have been rewritten, updated and standardized.

With the new legislation (section 167 *et al.*), municipalities will be permitted to invest in a range of instruments which will be prescribed in regulation. The new provisions also permit the province to restrict through regulation investment in securities deemed to be inappropriate.

The joint investment provisions (section 167.4) have also been amended to provide through regulation that local boards can become potential investment partners.

In order to promote strong and effective financial management and encourage municipalities to monitor their own investment practices, municipalities are required to prepare a Statement of Investment Policies and Goals and to report periodically to council on their compliance with it.

Regulation 74/97, respecting municipal eligible investments, and Regulation 76/97,

permitting local boards to participate in investment pools, were filed on March 6, 1997.

Municipalities have not been permitted by law to issue variable rate debentures. The goal was to limit risk and to make sure that municipalities could determine the cost of borrowing up front and budget with certainty of their debt servicing costs. However, the capital and financial markets are changing. This restriction meant municipalities may have been paying more than they should to borrow.

Lifting this restriction allows municipalities to take advantage of lower short-term rates and avoid locking in for a long term if they have to borrow when rates are high.

Municipalities are given the authority (Section 149.1) to issue variable rate debentures, subject to meeting certain prescribed conditions and rules to be specified in regulation. The drafting of this regulation is under way.

Municipal powers to incur debt and borrow, including borrowing in a foreign currency, which were scattered in various sections and sub-sections of relevant Acts, have now been consolidated in the new sections 146 and 147 of the *Municipal Act*. Regulatory authority is provided to prescribe rules respecting borrowing limits and foreign currency borrowing.

Regulation 75/97 was filed on March 6, 1997, to amend the previous debt limits regulation to provide for the consolidation of exceptions to the borrowing limits rules and to permit municipalities to approve classes of projects if they are within their limits. An amendment to the borrowing in a foreign currency regulation (Reg. 643/93 as amended) is yet to be made to allow municipalities to borrow in additional foreign currencies.

Section 140 now allows municipalities to make interest payments more frequently as long as they make at least one payment annually. This feature allows municipalities to offer investors more attractive products.

The housekeeping amendments are many and fall into two major categories. The first category consists of updating the current provisions to clarify wording and authority, remove archaic terms and provisions and make the various provisions more consistent. The second category is mostly related to removing unnecessary references to the requirements for OMB approval.

These amendments affect not only the *Municipal Act* and the *OMB Act*, but also a series of related Acts, such as the *Conservation Authorities Act*, the *Public Utilities Act*, the *Trees Act*, the *Tile Drainage Act* and the *Telephone Act*.

The first category amendments cover provisions relating to activities such as signing and executing of debentures, replacing debenture certificates and making the wording of similar provisions in various Acts consistent with each other, and to deleting provisions which became redundant because of Bill 86.

The second category amendments are mostly related to the requirements of obtaining OMB approval, which is no longer necessary. These include OMB approval for capital expenditure and the issuing of debentures for Conservation Authorities or PUCs when such debentures do not affect the debt limit of the municipality. Others relate to the need to obtain OMB approval for dealing with surpluses or deficits relating to an issue of debentures which the council originally approved.

Some OMB amendments are retroactive (e.g., *Conservation Authorities Act*) to January 1993. This is necessary in order to avoid private legislation to deal with those instances where a municipality borrowed on behalf of a local board without the local board having received explicit OMB authority to do so.

1.4.2 Governance Decisions

The municipal debt issuance and investment provisions of the *Better Local Government Act, 1996*, represent the first part of the rewriting and consolidation of those provisions which aim at providing more flexibility to municipalities in their borrowing and investment activities. Other goals are to simplify and clarify rules relating to borrowing and investment, and to allow municipalities to have a greater role in debt and investment management while maintaining fiscal integrity, accountability, and prudence.

1.4.3 Implementation: Options and Requirements

When availing themselves of the more flexible debt issuance and investment powers, municipalities must comply with rules and conditions specified on the statute and the relevant regulations.

1.4.4 Administration and Process

The ministry will continue to calculate and send to each municipality its respective annual repayment limit. This limit allows the municipality to decide whether it can approve its own capital projects and related long-term financial obligations without having to seek OMB approval.

Following the passage of the municipal eligible investments regulation, concerns were expressed regarding certain provisions of this regulation. After having reviewed the concerns with all stakeholders, the ministry would consider making certain changes.

The current debt limit regulation will require interim adjustments in 1998 and 1999 to take into account changes in tax room and realignment of responsibilities which occur in 1998, since dates on which limits are released are lagged two years.

Proposed amendments to the two regulations would normally have to be made by the end of 1997 at the latest in order to address concerns expressed to date.

1.4.5 Financing

This section is not applicable as debt issuance and investments is not a municipal service.

1.4.6 Implementation Tools & Supporting Information

The more flexible municipal debt and investment rules allow municipalities greater say in debt and investment management while providing them with increased opportunities to lower their borrowing costs and increase returns on investments. Another objective is to permit municipalities to keep pace with changes in technology, capital markets and best practices relating to municipal borrowing and investing.

1.4.7 Implementation Issues

Regulations relating to variable debentures and borrowing in additional foreign currencies have yet to be passed.

1.4.8 Changing Roles and Responsibilities

This section is not applicable.

1.4.9 Qs and As

This section is not applicable at this time. If questions arise during Who Does What education and training, this section can be updated.

1.4.10 Sharing Experiences

As municipal experiences with the new legislation emerges, this section will be updated in order to share those experiences.

1.5 DEVELOPMENT CHARGES

1.5.1 Overview: A New Legislative Framework

The existing legislative framework for the imposition of development charges is the *Development Charges Act, 1989*, as amended by the *Land Use Planning and Protection Act, 1995*. A new development charges framework would be established under the proposed provisions of Bill 98, the *Development Charges Act, 1997*.

Key elements of the new legislation include:

- reducing the scope of services for which municipalities may impose development charges by eliminating services which are not required in order for growth to occur and which benefit the entire community (e.g., museums, art galleries, cultural facilities, hospitals, parkland acquisition);
- requiring municipalities to reduce the amount recoverable from growth by 10 per cent for services like transit, arenas, libraries and parkland improvements;
- new measures that will require municipalities to ensure that the development charge accounts for any excess infrastructure capacity, reflects the 10-year average service level and is applicable only to that portion which will benefit new growth;
- provisions to encourage expansions of industrial facilities and the establishment of new ones;
- more flexible and permissive authority for developers and municipalities to enter front-end financing arrangements.

1.5.2 Governance Decisions

Bill 98, as proposed, would ensure that municipalities are able to recover the growth-related costs for eligible services. Municipalities would be responsible for deciding whether or not to impose development charges, what services they should apply to, and what exemptions, if any, to stimulate local economic development activity.

1.5.3 Implementation: Options and Requirements

When developing a local development charge bylaw under the proposed Bill 98 legislation, municipalities are required to take into account where new development will occur, at what pace it will occur, the need for new infrastructure required to facilitate growth, and the long-term operating costs of building new growth-related infrastructure.

It is up to municipalities to determine their growth-related needs and what they need to recover from development charges financing. Ultimately, decisions are subject to appeals to the Ontario Municipal Board (OMB) from existing residents of the municipality and land holders responsible for paying the development charges.

1.5.4 Administration and Process

Municipalities continue to be responsible for the administration of development charge by-laws, including reporting and accounting of development charge revenues and expenditures. Some of these matters are now subject to minister's regulation.

Examples of administration and process requirements include:

- administrative procedures relating to notice provisions for bylaws;
- administering appeals and complaints about development charges;
- reporting on the use of development charge revenues and expenditures; and
- informing the public about development charges.

1.5.5 Financing

There is no Who Does What financial exchange between the province and municipal sector relating to development charges. Under the proposed Bill 98, municipalities would be required to reduce by 10 per cent the amount that they can recover from the imposition of development charges for all services other than roads, water, sewers, fire, police and hydro. In addition, municipalities would no longer be able to use the Development Charges scheme to recover the growth related costs for: parkland acquisition, administrative headquarters, waste management, hospitals, cultural or entertainment facilities (e.g. museums, theaters, art galleries) and tourism facilities.

1.5.6 Implementation Tools & Supporting Information

This section is not applicable

1.5.7 Implementation Issues

Bill 98 is currently awaiting Third Reading in the legislature. If passed, it would enable municipalities to continue to collect development charges under the authority of the existing legislation for up to 18 months after the Proclamation date. Once this 18-month transition period is over, municipalities that want to collect development charges may only do so under Bill 98. The 18-month time frame will allow municipalities time to review and amend their existing bylaws to reflect the new provisions.

1.5.8 Changing Roles and Responsibilities

This section is not applicable

1.5.9 Qs and As

This section is not applicable at this time. If questions arise during Who Does What education and training, this section will be updated.

1.5.10 Sharing Experiences

As municipal experiences with the new legislation emerges, this section will be updated in order to share those experiences.

1.6 FARM, MANAGED FOREST AND CONSERVATION LAND TAX REBATES

1.6.1 Overview: A New Legislative Framework

As indicated in the January announcement on Who Does What tax reform, tax rebate programs for farmland, managed forests and conservation lands will be eliminated after the 1997 tax year. A new taxation policy for eligible farmland and managed forests will be implemented, based on 25 per cent of the municipal residential tax rate on eligible lands. For farmland and outbuildings, the 25 per cent rate will apply; the farm residence and one acre of farmland, when occupied by the farmer, will be taxed at the prevailing municipal residential tax rate.

For managed forests, the tax rate will be based on 25 per cent of the municipal residential tax rate. Conservation lands will be tax exempt. These new policies are included in Bill 106, the *Fair Municipal Finance Act, 1997*, which was passed on May 26, and received Royal Assent on May 27, 1997.

The current **Farm Tax Rebate Program** was created in 1970 as an interim solution to ease the tax burden on farm property in Ontario until property tax reform could be implemented. In response to recommendations from farmers, the government has now legislated a specific tax ratio on eligible farmland and ended the cumbersome farm tax rebate process. The *Fair Municipal Finance Act* also establishes a separate property class for eligible **Managed Forests** and for **Conservation Lands**.

1.6.2 Governance Decisions

The elimination of the tax rebate programs affects municipal taxation policy responsibilities. See Section 1.1 Municipal Assessment and Taxation.

1.6.3 Implementation Options and Requirements

Amendments were made to the *Assessment Act* to allow the Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to make the decision on eligibility for the 25 per cent tax policy for farmland, and also to handle the appeal process on such eligibility. Under this appeal process, OMAFRA will hear the appeals from clients and municipalities, and render a decision on whether the property owner meets the requirements under the regulation for 25 per cent residential tax rate. All other assessment issues will continue to be handled by the Assessment Review Board (ARB) and the Assessment Division of the Ministry of Finance (MOF), or its successor.

MOF, Property Assessment Division, will classify value-added activities on farm property on an individual basis. Those value-added activities that are determined to be an extension of the farm operation will be assessed using farmland rates, but will be taxed at the appropriate tax rate (i.e., commercial, etc.). Treatment of value-added activities will be drafted in regulations under the Municipal Finance Act in the fall of 1997.

Managed forests must be a minimum of four hectares in size to qualify. The landowner is responsible for drawing up a forest management plan, which must be approved. An audit on the land must be done no later than every five years after the initial plan has been approved.

Conservation lands are those lands that have been identified by the Ministry of Natural Resources (MNR) as being provincially significant. Starting in 1998, Conservation Authorities with lands identified by MNR will be eligible to participate in the tax exemption program.

1.6.4 Administration and Process

The application process for the reduced farm tax rate in 1998 will be concurrent with the Farm Tax Rebate Program. Landowners will still be required to obtain a Farm Business Registration Number to remain eligible. Land tenants will still be required to provide the landowner with their Farm Business Registration Number so that the landowner can apply for the reduced tax rate.

MOF will send information on properties assessed as farms (Class 1) to OMAFRA. OMAFRA will identify Class 6 properties (those eligible for the 25 per cent tax rate) and inform MOF, which will send roll information to municipalities. MOF will send out local assessment notices and municipalities will levy taxes.

Properties will be classified as of October 31 each year for assessment and taxation for the following tax year. Properties that have a change in property status (i.e., lose eligibility for either assessment at farm productivity rates or the reduced tax rate (25 per cent) during the taxation year) can be reassessed using the supplementary assessment provisions. Changes in assessment value due to a change in ownership will be handled by the supplementary assessment provisions.

The Managed Forest and Conservation Lands programs require that landowners apply each year by August 31, to qualify for the following municipal tax year. Appeals on

eligibility of land to be covered by Managed Forest and Conservation Lands programs are to the Ontario Lands and Mining Commissioner. Appeals on the assessed value assigned to eligible lands are to the Assessment Review Board.

1.6.5 Implementation Issues

Qualifications for the new farmland and outbuildings class will be consistent with current qualifications for the Farm Tax Rebate Program, and will be defined in regulations. The existing method for assessing farms remains the same.

1.6.6 Implementation Tools & Supporting Information

Information on Farm Tax Reform is available from OMAFRA. Information on the Managed Forest program is available from the Ontario Forestry Association, the Ontario Woodlot Association and MNR. Information on the Conservation Lands program is available from MNR.

2.

Emergency Services

2. EMERGENCY SERVICES

2.1 POLICE

2.1.1 Overview: A New Legislative Framework

Police Services Amendment Act (Bill 105):

Bill 105 amends the *Police Services Act, 1990* (PSA). It received Royal Assent on June 26, 1997 and was proclaimed into law on November 27, 1997. Bill 105 amended the PSA in the following key areas:

- financing;
- core functions;
- service delivery;
- civilian governance; and
- police oversight

Financing Of Police Services

Under the old system, there were inequities in the financing of police services. 202 municipalities paid for their municipal policing through local property taxes, while 576 municipalities were policed by the OPP at no direct cost to the municipality.

Effective January 1998, all municipalities are required to pay directly for their municipal police services.

Core Functions:

Municipalities are required to provide adequate and effective police services, at a minimum, including the following five core functions:

- crime prevention;
- law enforcement;
- assistance to victims of crime;
- public order maintenance; and
- emergency response.

Municipalities are also required to provide necessary infrastructure and administration to support the five core functions (e.g., vehicles, boats, equipment, buildings, etc.).

Service Delivery:

The options available to municipalities under the PSA have been expanded to provide greater flexibility in delivering police services in their respective communities. Options for police service delivery are discussed in Section 2.1.3, *Implementation Options And Requirements*.

Civilian Governance - Police Services Boards:

Bill 105 brings about substantial changes in the governance of police services and in the composition of police service boards. Governance issues are discussed fully in Section 2.1.2, *Municipal Governance Decisions*

Oversight of police services

Bill 105 merged public complaints and internal discipline into one system, and reduced the number of provincial oversight agencies from four to two. It eliminated the Office of the Police Complaints Commissioner and the Board of Inquiry. The Special Investigations Unit continues, under the jurisdiction of the Ministry of the Attorney General, as the agency responsible for overseeing police conduct resulting in serious injury or death. The Ontario Civilian Commission on Police Services will continue with expanded powers under the jurisdiction of the Ministry of the Solicitor General and Correctional Services.

Oversight

The Ontario Civilian Commission on Police Services (OCCPS) continues with an expanded role under the new complaints system. The expanded role gives the OCCPS the power to:

- conduct inquiries, on its own motion, into complaints related to policies of, or services provided by, a police service, or about the conduct of a police officer;
- conduct reviews at the request of the complainant into local decisions on the handling of complaints;
- impose penalties (e.g., days off, dismissal, etc.) or take other action (e.g., training, counseling, etc.) similar to those available at the local level in cases where the OCCPS holds a hearing into the conduct of a police officer;
- make recommendations with respect to policies of and services provided by a police service to the Solicitor General, police services board chief of police, or police associations, as the case may be.

Under the new complaints system, the OCCPS continues to have an appellate function in hearing appeals from police officers or complainants.

A New Complaints System

Part V (Discipline) and Part VI (Public Complaints) of the PSA were repealed and replaced with new Part V (Complaints), merging internal discipline and public complaints into one system.

Bill 105 also expanded the definition of complaint to include not only conduct complaints but complaints about the policies of, or services provided by, a police service.

Key aspects of the new complaints system

- It encourages informal resolution for non-serious matters at any time in the process while ensuring appropriate safeguards are in place for both the police officer and the public complainant (e.g., statements made during an attempt at informal resolution not admissible in other proceedings without the individual's consent).
- It ensures that a police officer and public complainant, if any, are kept informed at key stages in the process.
- It provides a review mechanism to the OCCPS for the public complainant not satisfied with key decisions made at the local level.
- It provides local police management with a range of disciplinary penalties (e.g., from dismissal to maximum three days without pay) as well as remedial measures (e.g., ranging from reprimand to counseling, treatment, training, etc.).
- It allows a police officer full appeal rights to the OCCPS in cases where misconduct or unsatisfactory work performance is proved on clear and convincing evidence after a hearing is held and gives a public complainant limited appeal rights in cases where a police officer is acquitted.
- It allows for judicial review to Divisional Court of decisions made by the OCCPS from an appeal.
- It includes a provision related to "off-duty" conduct of a police officer (i.e., it provides that a police officer cannot be found guilty of misconduct if there is no connection between the conduct and either the occupational requirements for a police officer or the reputation of the police service).

Regulation Development:

A steering committee comprised of representatives from police and municipal stakeholder associations and ministry staff was established, with sub-committee working groups to address individual regulation development.

Two regulations were developed to coincide with proclamation of Bill 105. They are:

- equitable financing (cost recovery of OPP services in 576 municipalities); and
- code of conduct for police service board members.

Two further regulations are currently under development: They are:

- adequacy and effectiveness; and
- revised code of conduct for police officers.

Equitable Financing

The Equitable Financing Regulation will:

- prescribe the method for determining the amounts owed by municipalities for police services provided by the OPP under Section 5.1 of the PSA; and
- prescribe the time when and manner in which the payments are to be made.

Full cost recovery of OPP services provided in the 576 municipalities will begin January 1, 1998, where the OPP continues to provide this service.

Code Of Conduct For Police Service Board Members

- Prescribes a Code of Conduct for members of Police Service Boards, including a conflict of interest policy.

Adequacy and Effectiveness

The Adequacy and Effectiveness Regulation and supporting standards are intended to accomplish the following objectives:

- ensure the consistent delivery of high quality professional police services across the province;

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- set minimum requirements of adequacy and effectiveness for police services;
 - provide greater flexibility in the delivery of certain police functions, thereby permitting new cost-reduction strategies, such as regional cooperatives, shared services and contracting with another police service;
 - encourage restructuring of policing in Ontario to focus resources on front line policing;
 - encourage centralization or regionalization of certain services, particularly expensive and infrequently needed specialty services;
 - improve the overall management of criminal investigations;
 - emphasize quality management and business planning, at a local level;
 - put in place standardized effectiveness measures that allow the province, local governments, police services boards and the community to assess the value and impact of their investment in policing;
 - support the full implementation of community policing; and
 - enhance public safety by reducing crime and improving road safety.

It is proposed that the standards will not come into effect until police services have had an opportunity to evaluate their services against the standards and a reasonable time to come into compliance. The implementation time frame will be the subject of consultation.

Revised Code Of Conduct For Police Officers

- Update existing Code of Conduct regulation.

2.1.2 Governance Decisions

Police services boards continue as the civilian governing authority for police services in Ontario. Changes in composition and roles and responsibilities of police services boards reflect the principle of "pay for say" and recognize the importance of local decision-making:

- Municipalities now appoint the majority of members while the province appoints the minority.
- Municipal appointees must include a community representative who is not a member of council or an employee of the municipality.
- Municipal council now approves the total budget envelope and the police services board is responsible for administering and allocating funds. (However, the board can appeal budget matters to the Ontario Civilian Commission on

Police Services as it relates to “adequacy.”)

Joint police services boards can be established in cases where municipalities want a joint police service without municipal restructuring. This provision facilitates the coordination of police services across municipal boundaries.

Bill 105 also strengthened civilian governance in OPP contract locations. Police services boards are now required in all OPP contract locations, and their roles and responsibilities are expanded to more closely mirror those of municipal police services boards.

Civilian governance is expanded to include the 576 municipalities now required to pay for OPP police services, with permissive authority to establish community policing advisory committees to advise the local detachment commander on the needs and priorities of the community.

2.1.3 Implementation: Options and Requirements

The options available to municipalities under the PSA provide municipalities with greater flexibility in delivering police services. A municipality can:

- start or maintain its own police service;
- form a joint police service with one or more municipalities (new);
- amalgamate police services;
- contract with an adjacent municipality (new);
- contract with OPP, either alone or jointly with one or more municipalities; or
- adopt another method approved by the Ontario Civilian Commission on Police Services.

Bill 105 also provides greater flexibility by permitting police service boards to agree to share some police services with another board or the OPP (e.g., canine units, tactical units, search and rescue, etc.).

Migration of Policing to Upper-Tier Municipalities

A new regulation (O.Reg.408/97) under the *Municipal Act*, concerning the migration of police services, was filed on November 14, 1997. This regulation provides a local process for municipalities to follow when there is an interest in transferring responsibility for policing from lower-tier to upper-tier municipalities.

Under section 209.2(1) of the *Municipal Act*, an upper-tier municipality may pass a by-law, despite any Act, to assume a local power to provide a prescribed service or facility for all of its local municipalities. Under section 209.2(2), the above by-law shall not come into force unless:

- a) a majority of all votes on the council of the upper-tier municipality are cast in its favour;
- b) a majority of the councils of all the local municipalities in the upper-tier municipality pass resolutions giving their consent to the by-law; and
- c) the total number of electors in the local municipalities in the upper-tier which have passed the resolutions approving the by-law, represent the majority of all the electors in the upper-tier municipality.

O.Reg. 408/97 adds police services to the list of prescribed services which can migrate to the upper-tier. Once the responsibility for policing is transferred, it cannot revert back to the lower-tier at some later date.

2.1.4 Administration and Process

The Adequacy and Effectiveness Regulation and supporting standards will, for the first time, establish standardized, province-wide effectiveness measures that allow the province, local governments, police services boards and the community to assess the value and impact of their investment in policing.

Police Services Advisors are available to answer questions and provide municipalities with advice on meeting their obligations under the Police Services Act.

Amendments to the Police Services Act, as well as the development of the Adequacy Regulation, is intended in part to be a catalyst to police restructuring. MSGCS recognizes that municipal restructuring will ultimately result in police restructuring.

2.1.5 Financing

Changes in the roles and responsibilities of police services boards reflect the principle of “pay for say” and recognize the importance of local decision-making. Municipal council now approves the total budget envelope, and the police services board is responsible for administering and allocating funds. However, the board can appeal to the Ontario Civilian Commission on Police Services on budget matters.

Full cost recovery of OPP services provided in the 576 municipalities begins January 1, 1998. Costs will be based on actual costs, specified in regulations, and allocated to the lower tier municipalities, with the exception of the District of Muskoka, which is a regional municipality. In the case of Muskoka, costs will be allocated to the upper tier.

OPP staff are available to further explain the formula used to calculate the costs for each municipality.

Bill 105 also allows for cost recovery of OPP services (e.g., specialized investigative services) provided to municipalities or other law enforcement agencies consistent with the principle of fairness in police financing. This cost recovery is at the discretion of the Solicitor General to ensure that police services are not reluctant (because of cost) to seek the assistance of the OPP when required.

On December 12, 1997, the Minister of Finance announced enhancements to the Local Services Realignment Initiative and the Community Reinvestment Fund, as part of the government's plan to provide better, more efficient and more accountable services across the province. The Minister of Finance also announced a plan for fairness in policing costs. The net affect, after assistance provided through the Community Reinvestment Fund, is that households in municipalities that begin paying for policing for the first time will start by paying, on average, about \$90 a year.

2.1.6 Implementation Tools & Supporting Information

MSGCS staff (Police Services Advisors) are available to provide the police community with information and advice respecting the management and operation of police services.

As part of an overall implementation strategy for Bill 105, Police Services Advisors will provide stakeholders (i.e., municipal councils, police services boards, chiefs of police and police associations) with information on the amendments to the *Police Services Act*, as well as the new regulations.

MSGCS will be setting minimum requirements of adequacy and effectiveness for police services in Ontario. MSGCS will provide support to assist the police community with meeting the adequacy standards. This support will include:

- sample policies;
- sample checklists;
- sample surveys;
- resource material;
- training standards;
- a self-audit tool;
- major case management software; and
- user education, advice and support.

These tools will assist municipalities, police services boards and police services with meeting their responsibilities under the *Police Services Act*.

2.1.7 Implementation Issues

Currently, there are approximately 15,000 municipal police officers and 4,400 provincial police officers in Ontario. Major categories of implementation issues include:

- transition of membership of the Police Service Board;
- workforce implications for each option;
- how to monitor “adequacy and enforcement” standards once they are established;
- explanation to municipalities of current year and future years net financial implications of policing costs; and
- how to facilitate restructuring of police service delivery for specific municipalities, especially those undergoing municipal restructuring.

2.1.8 Changing Roles and Responsibilities

The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Police			
	the province	municipalities	police service boards
Strategic Planning	<ul style="list-style-type: none"> establishes legislative framework setting out provincial interest establishes program standards 	<ul style="list-style-type: none"> plan for local service system management 	
Service System Management	<ul style="list-style-type: none"> monitors and reviews police services and police service boards develops and promotes programs that enhance professional police standards, and training makes minority board appointments 	<ul style="list-style-type: none"> establish service delivery systems. appoint majority members of Police Services Boards develop and set budgets determine staffing needs 	<ul style="list-style-type: none"> appoint members of the force establish management policies recruit chief, deputy chief and determine their remuneration and working conditions determine (in consultation with chief) service objectives and priorities direct and monitor chief's performance
Service Delivery	<ul style="list-style-type: none"> advises boards and chiefs issues directives and guidelines respecting police matters 	<ul style="list-style-type: none"> provide and fund adequate and effective police services, including: <ul style="list-style-type: none"> crime prevention, law enforcement, assistance to victims of crime, public order, and emergency response. 	<ul style="list-style-type: none"> receive reports from chief under section 49 establish guidelines re. Indemnification of force for legal costs under section 50 establish guidelines for dealing with complaints under Part V review administration of complaints system

2.1.9 Qs and As (not applicable)

2.1.10 Sharing Experiences

As municipalities make decisions concerning provision of police service delivery, these will be shared.

2.2 FIRE

2.2.1 Overview: A New Legislative Framework

The *Fire Protection and Prevention Act, 1997* (FPPA), was proclaimed on October 29, 1997. While this legislation was initiated prior to the WDW initiative, it creates significant changes to the manner in which fire protection services are delivered throughout Ontario. It also replaces 10 previous pieces of fire protection legislation and combines all fire protection legislation in one document.

Under the *Fire Protection and Prevention Act, 1997*, municipalities will continue to be responsible for funding and delivering fire protection services in the province. The Office of the Fire Marshal (OFM) will be responsible for protecting the provincial interest, which is ensuring that public safety is not seriously jeopardized. For the first time, the duties, powers and responsibilities of the OFM are clearly delineated in the legislation.

In the past, municipalities have been permitted to create fire departments under authority granted in the *Municipal Act*. Once proclaimed, the FPPA will require that municipalities establish a program which must include public education with respect to fire safety and certain components of fire prevention, and provide other fire protection services that may be necessary in accordance with their needs and circumstances. Section 2(1)(a) and (b).

The Fire Marshal may monitor and review the fire protection services provided by municipalities to ensure that municipalities have met their responsibilities under the Act. If the Fire Marshal is of the opinion that, as a result of a municipality failing to comply with its responsibilities, a serious threat to public safety exists in the municipality, he or she may make recommendations to the council. Section 2(7).

If a municipality fails to adhere to the recommendations made by the Fire Marshal, the minister may recommend to the Lieutenant Governor in Council that a regulation be made. (Section 2(8)).

2.2.2 Governance Decisions

There is no change in local authority. Municipalities continue to be responsible for the delivery of fire protection services. It must be clearly understood that while there may be no need to operate a fire department, there is still a responsibility to provide public fire safety education and fire prevention programs.

The Fire Marshal may monitor and review the fire protection services provided by the municipalities. Where necessary, the Fire Marshal may make recommendations to improve the delivery of fire protection services. Where a serious threat exists and a municipality fails to adhere to the recommendations made by the Fire Marshal, the minister may recommend to the Lieutenant Governor in Council that a regulation be made.

Upon the recommendations of the minister, the Lieutenant Governor in Council may make regulations establishing standards for fire protection services in municipalities and requiring municipalities to comply with the standards. The regulation may be general or specific in its application and may be restricted to those municipalities specified in the regulation.

2.2.3 Implementation: Options and Requirements

Municipalities continue to enjoy a number of options in service delivery. Services may be delivered by a single municipality (including upper tier municipalities), be shared, or be operated jointly by a number of municipalities. Municipalities may seek the advice of the Fire Marshal when determining service delivery options.

2.2.4 Administration and Process

Municipalities will continue to determine the level of service provided. The role of the Office of the Fire Marshal (OFM) is to monitor, review and advise municipalities respecting the provision of fire protection services and to make recommendations.

2.2.5 Financing

The method of financing the delivery of fire protection services continues to be the sole responsibility of municipal government. Bill 26 allows for additional cost recovery methods and fees for some services. Municipalities contemplating the use of fees for the delivery of public fire protection services are encouraged to consult with the OFM prior to establishing the necessary bylaws. Although formal guidelines on cost recovery are not planned, the imposition of fees must not interfere with the delivery of public fire protection.

2.2.6 Implementation Tools & Supporting Information

The Office of the Fire Marshal (OFM) has prepared draft *Guidelines for the Delivery of Public Fire Protection Services*. Consultation will take place with the stakeholders. The final version of the initial guidelines are due for publication by the end of 1997.

Minimum requirements for Fire Prevention and Public Education are included in the guidelines.

OFM fire protection advisors are generally available to assist municipalities with advice on fire protection services.

2.2.7 Implementation Issues

Implementation Issues:

Part IX of the FPPA replaces and introduces amendments to the *Fire Departments Act*, which currently governs fire service labor relations. Once proclaimed into law, Part IX will be administered by the Minister of Labour.

Management exclusions:

Current legislation states that only the Fire Chief and Deputy Chief of the fire department are excluded from representation by the local fire fighters union. The new legislation will ensure that any member of a fire department who functions as a manager, will be a manager and will therefore be subject to exclusion. Section 54(8) of the FPPA provides each fire department with a maximum of five automatic exclusions based on the number of firefighters in the department, i.e.:

- two managers for fewer than 25 persons;
- three for 25 or more, but fewer than 150 persons;
- four for 150 or more but fewer than 300 persons; and
- five for more than 300 persons.

An amendment was made to the FPPA to require consent for the designation of automatic exclusions with a "red circling" provision for those firefighters who choose not to leave the bargaining unit. Another amendment was also made to require an employer to apply to the Ontario Labour Relations Board for additional (discretionary) exclusions and to clarify that firefighters will remain in the bargaining unit while the issue of discretionary exclusion is being adjudicated.

Right to Strike:

The *Fire Protection and Prevention Act, 1997*, removes the right to strike.

Firefighters are very committed to the work they do. Their long-standing commitment not to strike reflects well on their professionalism. Nevertheless, under the former legislation, a potential strike situation never occurred because every collective agreement remained in force until a new one was established, either through bargaining or through arbitration.

When the new legislation updates collective bargaining for firefighters to bring it more in line with that of other workers, the new process could have placed firefighters in a strike disposition. It is important that public safety be protected by ensuring that this essential service is always available. In prohibiting strikes in the fire service the province has, for the first time, officially recognized fire protection as an essential service.

Conciliation/Arbitration:

Conciliation is designed to help bring the parties of a dispute together and negotiate a solution without the need for arbitration. Most other binding arbitration systems include some form of conciliation or mediation, and it has helped to ensure more negotiated settlements and more positive labour/management relations. Furthermore, achieving a negotiated settlement through conciliation may shorten the process by removing the need for arbitration.

Amendments were made to the FPPA to clarify conciliation and arbitration costs. On conciliation, each side will pay its own legal costs and the Ministry of Labour will provide conciliators. On arbitration, each side will pay its own legal costs and both sides will share the cost of the arbitrator or board of arbitration between them.

The appointment of an arbitrator or arbitration board shall be in accordance with the regulations. Under Section 57, the minister may make regulations governing these appointments. Accordingly, the regulations will be developed in such a way to ensure that the appointment process is fair and unbiased.

Hours of Work:

An amendment to the Act restores the wording used in the *Fire Departments Act* for hours of work. This change will restore hours of work as a management right, which may be collectively bargained by local municipalities.

Bargaining Rights:

Amendments were made to the Act which remove the certification and de-certification provisions and deem the existing associations to be the bargaining agent for the firefighters. This provision “grandparents” the existing fire associations so that they will be recognized as the current bargaining agents.

Other amendments were made to clarify that existing collective agreements will remain in place during the transition period after the new legislation is enacted. The transitional provision recognizes agreements, awards and decisions under the *Fire Departments Act* for the balance of their term. A statutory freeze on working conditions and wages protects firefighters during the negotiation of a new collective agreement. Any disagreement as to whether a change has occurred is subject to arbitration. This provides for less disruption in the workplace during collective bargaining.

The Act was amended to clarify that OMERS pensions (including firefighter pensions), covered under the *Municipal Act*, are not affected by the new legislation.

2.2.8 Changing Roles and Responsibilities

Provincial and municipal roles and responsibilities are not changing in a substantial way.

2.2.9 Qs and As

This section is not applicable for fire services at this time. If questions arise during Who Does What education and training, this section will be updated.

2.2.10 Sharing Experiences

Structures and service delivery are not changing in a substantial way. However, as municipalities restructure or as municipal emergency services are more fully integrated, this section will be updated.

3

*Social and Community
Health Services*

3. SOCIAL AND COMMUNITY HEALTH SERVICES

3.1 CONSOLIDATION OF MUNICIPAL SERVICE MANAGEMENT

3.1.1 Overview: A New Legislative Framework

The changes in provincial and municipal responsibilities announced by the government on January 14, 1997, outlined new directions for delivery of social assistance, child care, and social housing. They create the opportunity to implement a more integrated and effective system of social and community health services under municipal leadership.

It is anticipated that consolidation of municipal service management will result in the management of social assistance, child care and social housing by approximately 50 municipalities and municipal service boards.

Authority to require consolidation of municipal service management is provided by the *Services Improvement Act* and the *Social Assistance Reform Act*.

Social Assistance Reform Act

Schedule A is the *Ontario Works Act*. When proclaimed, Part III of the *Ontario Works Act* will:

- Require the Minister of Community and Social Services to designate geographic areas by regulation for the purposes of administering Ontario Works (Section 37).
- Allow the Minister to designate by regulation a municipality or district social services administration board as “delivery agent” for a designated geographic area (Section 38).
- Allow the Minister to make regulations designating geographic areas and delivery agents (Section 74(2) 2.).

Schedules C and D include amendments to the *District Welfare Administration Boards Act*. When proclaimed, the amendments will:

- Change the name of existing boards to District Social Services Administration Boards (DSSABs).
- Change the definition of district to a geographic area designated by the Minister of Community and Social Services.

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- Amend the definition of welfare services to social services that are prescribed by regulations.
 - Require that the Lieutenant Governor in Council designate by regulation geographic areas for the purposes of the Act.
 - Allow the Minister to establish DSSABs.
 - Allow the Minister to designate DSSABs as delivery agents for Ontario Works and require them to carry out any responsibilities specified by regulation.

Services Improvement Act

Schedule C consists of amendments to the *Day Nurseries Act*

- Section 2.1 requires the Minister of Community and Social Services to designate geographic areas by regulation for the purposes of administering child care.
- Section 2.2 allows the Minister to designate by regulation a municipality or district social services administration board as a delivery agent for child care services prescribed by regulation for a designated geographic area, and to attach terms and conditions to that designation.

Schedule F creates a *Social Housing Funding Act 1997*. This Act addresses interim arrangements for municipalities to pay costs of social housing administered by the province. It allows the Minister of Municipal Affairs and Housing to allocate costs among upper and single-tier municipalities, and to specified social services boards.

Regulations:

Regulations will be made to designate geographic areas and delivery agents and to create DSSABs as required to implement the consolidation arrangements proposed by municipalities. These municipal proposals are to be made by March 31, 1998, with provincial decisions to be finalized by May 31, 1998.

Progress to Date:

The policy objectives for consolidation of municipal service management were communicated to municipalities on September 2, 1997. Confirmation of the policy and its application to social housing was provided to municipalities on December 18, 1997.

A consolidation planning framework was also made available in January, 1998.

Northern Ontario:

It is planned that information sessions be conducted jointly for northern communities by the Ministries of Northern Development and Mines (MNDM) and Community and Social Services. The ministries of Municipal Affairs and Housing, and Health will also be participating in these sessions.

3.1.2 Governance Decisions

Municipalities which have been notified that they must consolidate service management are expect to form binding agreements on the following:

- management and delivery of Ontario Works, child care and social housing;
- division of costs among the participating municipalities;
- reporting/administrative structure.

The form of arrangement is up to the participating municipalities to determine. In Northern Ontario, they may choose to form a District Social Services Administration Board or to make alternate consolidation arrangements.

3.1.3 Implementation: Options and Requirements

The following policies apply to municipal management of Ontario Works, child care and social housing:

Southern Ontario:

- In regional municipalities, and in those counties where there are no separated municipalities, the upper-tier municipality will manage services.
- In a county where there is one or more separated municipality, only one municipality (either the county or one of the separated municipalities) will manage services.
- Counties with a population of less than 50,000 (including any separated municipalities) will make arrangements to consolidate service management with another county or regional municipality.

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- Upper and single-tier municipalities that are required to consolidate will make arrangements among themselves as to which one will be the consolidated municipal service manager,, what the accountability arrangements among them will be, and how municipal costs will be divided.

Northern Ontario:

- There will be about 10 service boards or municipalities managing social and community health services.
- Municipalities and unincorporated areas will develop arrangements among themselves as to how services will be managed, the boundaries of service management areas, what the accountability arrangements will be with the municipal service manager and how costs will be divided.

3.1.4 Administration and Process

Municipalities which have consolidation requirements must submit proposed arrangements by March 31, 1998, to the Provincial-Municipal Services Restructuring Social and Community Health Services Implementation Project at the Ministry of Community & Social Services.

The proposed consolidation arrangements will be reviewed against the consolidation policy and approved if they are consistent with it and have the agreement of the municipalities which are party to the consolidation.

If local agreement is not reached, the province will determine what the consolidation arrangements will be. Municipalities will be notified of provincial decisions no later than May 31, 1998.

3.1.5 Financing

One of the principles of the proposed consolidation policy is that municipalities have the flexibility to work out local arrangements for consolidating service management.

In Southern Ontario, division of costs between a county and a separated municipality, is to be determined by mutual agreement. The method of dividing costs may be different for different services. If agreement is not reached on division of costs, there will be provisions for arbitration to resolve the differences of opinion. Regulations will be prepared for the *Ontario Works Act*, *Day Nurseries Act*, and *Social Housing Funding Act* detailing the arbitration provisions.

Interim arrangements will apply to the division of costs among municipalities and

unincorporated areas within a DSSAB during 1998, because reassessment will not be complete in Northern Ontario. Municipal costs will be apportioned among the municipalities based on weighted assessment, and the province will meet the costs of services provided to residents of unincorporated areas during this transitional year.

3.1.6 Implementation Tools & Supporting Information

A consolidation planning framework was provided to municipalities in January 1998.

3.1.7 Implementation Issues

Consolidation will take place during the same time period as transfer of service management responsibilities for Ontario Works and child care. Further details on implementation are addressed in separate sections on Ontario Works and child care.

3.1.8 Changing Roles and Responsibilities

Changing roles and responsibilities are discussed in program sections (i.e., Ontario Works, child care and social housing).

3.1.9 Qs and As

What is “consolidated municipal service management”?

The changes in provincial and municipal responsibilities announced by the government on January 14, 1997, outlined new directions for delivery of social assistance, child care and social housing. There will be approximately 50 municipalities and municipal service boards managing these three programs across the province.

What is a “consolidated service delivery agent”?

A “consolidated service delivery agent” is a municipal government or municipal service board that is responsible for managing the delivery of social services for municipalities and, where appropriate, unincorporated communities in a designated geographic area. These municipalities and service boards will manage Ontario Works, child care, and social housing, public health and land ambulance operations.

How will the “consolidated service delivery agents” be determined?

The province has established a policy framework which indicates where consolidation of service management is needed. The province is asking those municipalities that need to consolidate to agree on arrangements that will meet local needs within this framework. Plans will be developed by municipalities by March 31, 1998, reviewed by the province, and decisions finalized by May 31, 1998.

Why are municipalities being required to consolidate management of Ontario Works, child care and social housing?

The consolidation of municipal management is the first step toward creating a more efficient and effective service system. The current delivery system is overly complicated and cumbersome. There are, for example, over 100 municipalities currently delivering General Welfare Assistance, ranging from part-time administration in small townships to a large organization like Metro Toronto.

Municipalities that need to consolidate service management will have the opportunity to determine how best to achieve consolidation in their area.

Does the consolidation policy affect First Nations?

The proposed policy for consolidation of municipal services management does not apply to First Nations that deliver social assistance, child care or social housing. Some communities may be indirectly affected in that they have arrangements with municipalities for program delivery. The Province will work with these communities to ensure that there is no disruption of services to clients.

Does consolidation mean that delivery of social services will always be at the regional municipality or county level?

Where there is a two tier municipal system, the regional municipality or county will manage services. Where there is a county and a separated city, however, they may choose between them which one will carry out the service management functions.

Does the policy require that counties take over delivery of social services from cities?

Reducing the number of municipal service delivery agents to approximately 50 will mean that a separated city and the surrounding county will have to develop a plan between them as to how to consolidate service management. It may be either the city or county that manages the services on behalf of the other.

Will service consolidation across counties be required?

The policy requires that counties with a population of less than 50,000 consolidate service management with another county.

Can municipalities in a county combine delivery with those in another county, rather than with the separated city that falls within their county boundaries?

A consolidation may include more than one county, as long as it also includes any separated municipalities in those counties.

Will service management areas in Northern Ontario follow District boundaries?

Service boundaries do not have to correspond to the Territorial Districts. There is flexibility for Northern communities to determine service boundaries, as long as about 10 areas result.

How will costs be divided among municipalities that are consolidating delivery?

One of the principles of the proposed consolidation policy is that municipalities should have the flexibility to work out local arrangements for consolidating service management. The municipalities involved in a consolidation plan are expected to work out an agreement among themselves on how to divide costs.

The *Services Improvement Act* and the *Social Assistance Reform Act* allow a fall back approach to be established in regulations, to apply in situations where municipalities could not agree on how to divide costs.

Is there a deadline by which municipalities must consolidate services? What will happen if they are unable to decide which one delivers?

Municipalities are required to submit consolidation plans by March 31, 1998. Provincial approvals will be finalized as soon as possible after that, and no later than May 31, 1998. Implementation will be complete by 1999.

In the event that municipalities cannot reach agreement, the *Services Improvement Act* and the *Social Assistance Reform Act* allow the Minister of Community and Social Services to designate a municipal delivery agent or establish a district social services administration board where required. The intent is to use this authority to recognize formally and implement municipal agreement as to who should deliver. However, it could also be used if efforts to reach local agreement were unsuccessful.

Will special provincial funding be available to assist municipalities with service consolidation costs? What will it cover (e.g., staffing costs, infrastructure costs, accommodation, technology, development of consolidation plans, etc.)?

Consolidation should be implemented in as cost-effective a way as possible, using existing assets and taking advantage of opportunities posed by restructuring and local government realignment. Municipalities may apply for provincial cost-sharing of essential one-time requirements resulting from consolidation of Ontario Works and child care on the same basis as for other administrative costs of these programs.

How will social services be delivered in the GTA?

The new amalgamated City of Toronto and each of the existing four GTA regional governments -- Halton, Peel, York, and Durham -- will provide social services. The government has announced that the costs of social assistance and child care will be equalized across the GTA.

How will services be delivered in Northern Ontario?

The *Social Assistance Reform Act* allows District Social Services Administration Boards (DSSABs) to manage Ontario Works, child care, social housing and possibly other services.

The Minister of Northern Development and Mines also plans to reintroduce legislation to allow the creation of "Area Services Boards" (ASBs), which could manage and deliver social and community health services and optionally other services. The

proposed *Northern Services Improvement Act*, if reintroduced and passed, would provide a three-year window of opportunity for the voluntary creation of ASBs. DSSABs could, if that is the local choice, become ASBs within the three-year time frame.

What does consolidation of municipal services management mean for public health?

Consolidation creates an opportunity to implement a more integrated and effective system of social and community health services. The government is willing to explore consolidation of public health and other related services if public health programs can be delivered more effectively and efficiently.

Is public health included in the plans for consolidation?

The first step is the consolidation of the management and delivery of Ontario Works, child care and social housing. This consolidation will provide a basis for exploring further integration of services, including public health. In the interim, the consolidation of health units can occur.

What does consolidation of municipal services management mean for land ambulance services?

Consolidation creates an opportunity to implement a more integrated and effective system of social and community health services. The municipalities or service boards that manage social services may well be the most appropriate to operate or contract for land ambulance services, but other options for delivery at the upper tier level may be explored.

Are land ambulance services included in the plans for consolidation?

The first step in this implementation is consolidating the management and delivery of Ontario Works, child care and social housing at the municipal level. This consolidation will provide a basis for exploring further integration of services, possibly including land ambulance services.

What does consolidated municipal service management mean for social housing?

Service system management responsibilities will be carried out by the same consolidated municipal service managers that will be responsible for Ontario Works and child care. How this consolidation will be implemented, and the extent of integration with these other programs, will be examined by the province and municipalities as service delivery models for social housing are developed.

3.1.10 Sharing Experiences

As services are consolidated, practices that emerge from the first stage of consolidation may be useful for subsequent service integration.

3.2 ONTARIO WORKS AND THE ONTARIO DISABILITY SUPPORT PROGRAM

3.2.1 Overview: A New Legislative Framework

With the passage of Bill 142, the *Social Assistance Reform Act* in November 1997, the government has passed and created the *Ontario Works Act* and the *Ontario Disability Support Program Act*. Bill 142 is the first major reform of social assistance legislation in 30 years. As a condition of eligibility for Ontario Works, individuals are expected to take part in programs designed to help them obtain a paid job. This proposed new program ensures that support is available for those in need, while encouraging people to get the experience, contacts and skills they need to become self-sufficient.

Municipalities are delivering Ontario Works.

The proposed *Ontario Disability Support Program Act* introduces a new program of income support for people with disabilities, designed to meet their unique needs. The Ontario Disability Support Program (ODSP) moves people with disabilities off the welfare system. The province will deliver ODSP.

The Ministry of Community and Social Services (MCSS) has also pursued measures to combat fraud and abuse, such as tightening eligibility rules, pursuing and acting upon information agreements with other areas of government, and establishing a fraud hot-line.

New Business Practices:

In January 1997, the ministry entered into a partnership with the private sector to gain access to leading technology and business practices for delivery of social assistance and employment programs. The Business Transformation Project (BTP) will replace outdated mainframe technology; reduce social assistance overpayments, fraud and system abuse; and eliminate duplication and inefficiency in social assistance delivery.

Municipal input is a vital part of the BTP's work. Staff from municipalities work full-time on the BTP. Municipal staff also contribute to the BTP's work through groups such as the Municipal Reference Group, the Municipal Blueprint Working Group and the BTP Steering Committee.

Past Legislation:

- *MCSS Act*
- *General Welfare Assistance Act* and Regulations
- *Family Benefits Act* and Regulations
- *Vocational Rehabilitation Services Act*

Recently Enacted Legislation:

Bill 142: The *Social Assistance Reform Act, 1997* (SARA), reforms existing legislation and creates a new legal framework for:

- The **Ontario Works Program** offers assistance to employable persons in financial need to help them obtain employment and become self-sufficient. Participants, including sole-support parents, may continue to receive income assistance if they make reasonable efforts to participate in activities designed to enable them to be employed.
- The **Ontario Disability Support Program - Income Support component** creates an income support program for persons with disabilities to remove them from the welfare system.
- The **Ontario Disability Support Program - Supports to Employment Program component** for persons with disabilities helps eligible persons achieve their competitive employment goals.

SARA creates two new acts:

- the *Ontario Works Act*, and
- the *Ontario Disability Support Program Act*, which establishes a program that provides income and employment supports to eligible persons with disabilities,

which replace:

- the *General Welfare Assistance Act*,
- the *Family Benefits Act*; and
- the *Vocational Rehabilitation Services Act*.

Proposed Regulation Development:

- Bill 142 regulation development is underway but not yet available.

Related Policy Work:

To support the implementation of the *Ontario Works Act* and the *Ontario Disability Support Program Act*, planning work is under way in a number of key areas. These include:

1. reducing the number of municipalities delivering welfare (196) to about 50 through consolidation;
2. the transfer of sole-support parent cases from provincial to municipal delivery, thereby eliminating the two-tiered welfare delivery system; and
3. the development and integration of comprehensive business and program guidelines, staff training and the Business Transformation processes.

3.2.2 Governance Decisions

There are no major governance decisions with respect to the program requirements of Ontario Works, i.e.:

- Ontario Works Business Plans are developed by municipalities and endorsed by municipal councils for the delivery of Ontario Works. MCSS reviews and approves business plans.
- The ministry will use a Service Contracting process which outlines expectations, outcomes and funding arrangements based on approved business plans.
- Municipalities are accountable for the delivery of the Ontario Works program in accordance with the approved business plan; MCSS has an approval, funding and monitoring role.

For municipalities affected by consolidation, there will be changes to local authority. The parameters within which consolidations will take place were sent to municipalities during the week of September 1.

3.2.3 Implementation: Options and Requirements

Municipalities are the service delivery agents for Ontario Works, based on approved Business Plans. The proposed legislation would provide the ministry with the option to name an alternative service delivery agent. It also makes provision for municipalities to contract out prescribed functions relating to the delivery of Ontario Works.

3.2.4 Administration and Process

New legislation outlines administrative standards for social assistance delivery. Roles and responsibilities include:

- Ministry approves municipal council approved business plans as per Ontario Works Guidelines.
- Service contract process sets out reporting, accounting, performance standards, data requirements, etc.
- Who delivers the program and the designation of delivery agents (Consolidated Service Delivery Agents) by the minister.
- Rules governing delivery agents and their powers and duties.
- The roles and responsibilities of the Director of Ontario Works with respect to the administration of the Act and the operation of the Ontario Works program.
- The basis for sharing costs of Ontario Works between the Province of Ontario and municipalities and a fallback plan for apportionment among municipalities; how the process works in territories without municipal organization.
- How, and the circumstances under which, the ministry might administer the Act and operate the Ontario Works program, in the absence of a designated delivery agent.
- The minister's ability to enter into an agreement with a band as defined in the *Indian Act (Canada)*, for the purposes of delivery of the Ontario Works program. This provision would allow for First Nations to continue to deliver social assistance programs to their own people.
- Measures to control and prevent fraud.

Note: Not every element of administration and process requirements is new, given the existing municipal role in the delivery of General Welfare Assistance.

3.2.5 Financing

Percentages are expressed as provincial:municipal. For example, 80:20 reflects an 80% provincial share and a 20% municipal share of costs.

Ontario Works			
1997		1998	
GWA/ONTARIO WORKS		ONTARIO WORKS	
Allowances/Benefits	80:20	Assistance; • Financial • Employment (Community Placement/ Employment Support/ Employment Placement)	80:20
Early Implementation of Ontario Works (Community Placement/Employment Support/Employment Placement)	80:20 and/or 100:0		
Administration	50:50	Administration	50:50

Ontario Disability Support Program			
1997		1998	
FBA		ODSP	
Allowances/Benefits	100:0	Income Support	80:20
Administration	100:0	Administration	50:50
VRS	100:0	Ontario Disability Support Program - Supports to Employment Funding	100:0

Municipalities will also fund 20 per cent of Ontario Drug Benefit costs for people on social assistance.

3.2.6 Implementation Tools & Supporting Information

The following tools have been provided to municipalities delivering social assistance programs:

- Business Plan Guidelines
- Ontario Works Program Guidelines/GA/FBA/VRS guidelines, manuals etc.
- Ontario Works Web Site
- Ontario Works Technology release 1, 2, 3
- Service Contracts
- Business Planning Kit
- Best Practices Tool-Kit
- Provincial/Municipal Training manuals: Who Does What Cost Sharing Implementation, and
- Directive package dated December 23, 1997: January 1998 Program and Cost Sharing Changes

Ontario Works Technology:

The ministry, through the Automating Social Assistance Project (ASA project), has been working with SHL Systemhouse in the development and delivery of Ontario Works Technology (OWT).

The Ontario Works Technology has been developed to assist municipalities in meeting the administrative and reporting requirements of the Ontario Works program.

Ontario Works technology is an interim technology designed to use the same hardware and technology architecture as the ministry's Caseworker technology. Ontario Works technology is offered to municipalities as a complete package. Municipalities receiving Ontario Works technology will receive ASA project developed software, leased computer equipment to run the software, installation of equipment, staff computer application training and on-going technical support.

The ministry is providing the same financial and cost-sharing arrangements to municipalities implementing Ontario Works technology as provided for our other major technology initiative -- Caseworker technology.

3.2.7 Implementation Issues

There are a number of other issues that may arise as these changes are implemented. Several issues have already been identified, including the use of employment credentials by municipalities, timing of implementation across the province, pension portability and training. Currently, the ministry is developing strategies to deal with identified issues.

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- Proclamation Schedule: anticipated that there will be a staggered schedule of proclamation.
 - Timing of legislation will impact timing of municipal consolidation and sole support parent transition.
 - Revised Program Guidelines for Ontario Works are being developed to cover the delivery of an integrated program of income support and employment assistance.
 - A transition plan to guide the transition of sole support parents is being developed.
 - The ministry will make reasonable efforts through negotiations with the new service provider regarding the hiring of OPS employees.

3.2.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Ontario Works		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">establishes policy objectives, legislation, regulation and cost sharingestablishes audit frameworksets standards	<ul style="list-style-type: none">business planning for local service systemsplan for funding responsibilitiesallocate resourcesconsult with province
Service System Management	<ul style="list-style-type: none">provides directives, guidelinesprovides technology support systemsmonitors and endorses program standards	<ul style="list-style-type: none">program managementestablish local/discretionary policiesconsult with province
Service Delivery	<ul style="list-style-type: none">cost sharing	<ul style="list-style-type: none">cost sharingdirect service delivery responsibility

Legislation:

The legislation provides for the minister to enter into an agreement with a person to deliver services. Is the province considering privatizing the delivery of Ontario Works?

The province has no plans for privatizing the delivery of Ontario Works. The legislation provides the flexibility to identify an alternative service delivery agent if necessary in the future. This provision recognizes that the role of governments is evolving and it ensures that the province can take advantage of innovative opportunities that may arise in the future.

Why does the legislation include broader authority for delivery agents to contract out services?

Delivery agents may enter into agreements to purchase the delivery of services as authorized by the ministry under the conditions for their designation as a delivery agent.

This authority is proposed to ensure that the delivery agent has maximum flexibility to manage the program in the years to come. All core functions such as eligibility determination would be undertaken by either the province or local governments.

It is important to note, however, that some functions in the social assistance system are managed on a fee-for-service basis through alternative deliverers. For example, employment placements and self-employment development within the Ontario Works program are usually provided through contracts with independent service agencies.

Ontario Disability Support Program:

Municipalities would now be sharing with the province the cost of the ODSP and Ontario Works. Is there a legislative provision to compel municipalities to contribute to ODSP costs?

Under the legislation, MCSS has the authority to withhold payments to the delivery agent where a municipal debt is owing to the ministry.

Consolidation:

The government announced the consolidation of the municipal service delivery as part of the Who Does What initiative. How would this happen?

The legislation provides authority for the government to designate delivery agents and the area for which they would be responsible.

The ministry will work with municipalities through the Social and Community Health Services Implementation Team (SCHSIT) to achieve a system with about 50 delivery agents instead of the nearly 200 in the business today.

Which level of government would deliver Ontario Works and would there be province-wide standards for program delivery?

Ontario Works would continue to be delivered at the municipal level. Municipalities are currently implementing Ontario Works business plans and have proven expertise. The ministry may also designate a district social services administration board as a delivery agent. (See question on District Social Services Administration Board.)

Approved municipalities would be required to deliver Ontario Works based on provincial legislation, regulations, and program guidelines.

The ministry would monitor the program and would have the authority to make funding adjustments where delivery agents are not complying with legislation, regulations and/or guidelines. Municipalities agree that there is a need for province-wide standards in the social assistance system.

When would the ministry act as a delivery agent for Ontario Works?

The intent of this proposal is to ensure that a fail-safe mechanism would exist where there are extreme situations of non-compliance.

Cost-Sharing:

What is the process for developing a new cost-sharing framework for the cost of administration?

The ministry is seeking advice from senior welfare administrators. If major issues are identified, they may be raised with the Social and Health Services Implementation Team (SCHSIT).

What is the context for the performance-based funding of Ontario Works?

The performance-based funding of Ontario Works is a new and challenging approach to program funding, and is occurring within a larger context of change. The management of Ontario Works funding is designed to be consistent with its pay-for-performance framework while also providing adequate support to address implementation issues.

How are the service targets for Ontario Works established?

The ministry negotiates mutually agreed upon targets for the delivery of the Community Participation, Employment Support and Employment Placement components of Ontario Works. Municipalities were asked to provide service targets for a balanced program for 1997 through 1999 in their Ontario Works business plans. The ministry has contracted for the delivery of targets for 1997 only, at the agreed upon unit costs. The experience gained from delivering Ontario Works in 1997 will be helpful in making certain that realistic targets are identified and contracted for in 1998 and 1999.

What happens if consolidated municipal service managers do not achieve service targets?

The Guidelines for the Development of Business Plans for the Early Implementation of Ontario Works puts forward the basic principle of Ontario Works performance-based funding, which is that "municipalities that do not meet their targets will have their funding adjusted to actual achieved units of service where these fall short of anticipated results."

Are there any other additional sanctions associated with an underachievement of service targets?

Where there is a shortfall in the realization of agreed upon service targets, any adjustment to funding will be based on the amount of the shortfall only.

Is there any flexibility in the early stages of program implementation?

Transitional support is being provided to municipalities during 1997 to assist with the implementation of the new program. An up to 10 per cent variance or \$50,000 (whichever is less) is permissible for service targets in the Community Participation and Employment Support components of the program.

The 1997 transitional support does not, however, apply to funding associated with service targets in the Employment Placement component or with service levels associated with any other component of the program, such as child care, participation expenses or disability access.

Ontario Works is an evolving program, and the ministry and its municipal partners will continue to respond to the lessons learned through experience.

Labour Relations:

What is meant by “reasonable efforts” in terms of negotiating the possible transfer of provincial staff to municipal delivery agents?

Under Appendix 9 of the Ontario Public Service Employees Union (OPSEU) Collective Agreement covering provincial employees, the employer is required to make reasonable efforts to ensure that, where there is a transfer of bargaining unit functions or jobs to the private or broader public sector, employees in the bargaining unit are offered positions with the new employer on terms and conditions as close as possible to their existing terms and conditions of employment, and, where less than the full complement of employees is offered positions, to ensure offers are based on seniority.

There are similar reasonable efforts provisions in the Association of Management Administrative and Professional Crown Employees of Ontario (AMAPCEO) agreement.

3.2.10 Sharing Experiences

MCSS has published and distributed a Best Practices Tool Kit. A report on community participation best practices is expected in early 1998.

3.3 CHILD CARE

3.3.1 Overview: A New Legislative Framework

Schedule C of the *Services Improvement Act (SIA)*, which came into effect January 1, 1998, amends the *Day Nurseries Act (DNA)*. These amendments and associated regulations will implement the child care portion of the government's "Who Does What" decisions.

The DNA amendments relate to a shift in provincial and municipal roles and responsibilities, including cost-sharing. However, the role of child care services as an important support to employment, a component of integrated services for children, and a vital support to families will not change. Furthermore, the existing standards for licensed child care specified in the DNA before January 1, 1998 will be maintained.

To have a better understanding of the child care changes made through the DNA amendments contained in the SIA, it is useful to describe child care program before these changes came into effect (i.e. before January 1, 1998):

Pre - Services Improvement Act: Child Care Before January 1, 1998:

Municipal involvement in child care was discretionary. Where municipalities chose to participate, they cost-shared only in fee subsidies (province paid 80% of cost and municipalities paid 20%). In 1997, ninety four municipalities cost-shared fee subsidies with the province. Those fee subsidies were either delivered directly by the municipalities or provided by other Child Care program through an agreement between the municipalities and the agencies.

Where there were gaps in service, the Ministry of Community and Social Services (MCSS) entered into agreements with "approved corporations" to deliver fee subsidies (the province paid 80% and the approved corporations paid 20% through parent fees, fundraising etc.). In 1997, there were ninety two approved corporations delivering fee subsidies in Ontario.

MCSS entered into agreements directly with service providers to deliver all other child care services throughout the province (resource centres, special needs resourcing, wage subsidy). These services were funded 100% by the province.

DNA Amendments: Child Care After January 1, 1998 :

The following changes have been made to the child care program as a result of the DNA amendments contained in the *Services Improvement Act*, and associated regulations.

Cost-Sharing

Municipal cost sharing is now required for all prescribed child care services (i.e. fee subsidies, resource centres, special needs resourcing, wage subsidy). These prescribed child care services are cost shared on an 80/20 basis between the province and municipalities.

Delivery Agents

The amendments to the DNA, supported by regulations which will be developed in early 1998, will clarify the ministry's relationship with municipalities (see 3.3.2 for details)

Licensing

The decision regarding the realignment of provincial and municipal social service responsibilities to transfer the responsibility for licensing to municipal delivery agents is not addressed in the DNA amendments. The transfer of licensing will be dealt with at a later date. More time is needed to work with municipalities to look at changes to the licensing system before licensing can be transferred.

3.3.2 Governance Decisions

The amendments to the DNA provide the authority for the Minister to designate delivery agents (municipalities or prescribed boards) for a geographic area. The delivery agents would manage the delivery of prescribed child care services for all municipalities and unorganized territories within its boundaries. The delivery agents would operate within a framework of comprehensive provincial standards.

The ministry could act as a delivery agent or enter into an agreement with a person to act as a delivery agent if required, in a geographic area. In cases where this occurs, municipalities would remain responsible for cost-sharing child care services.

3.3.3 Implementation: Options and Requirements

The transfer of responsibility for managing child care delivery will be phased in over time, from early 1998 until 1999, depending on municipal readiness. There are two stages:

- Stage 1 Becoming an approved delivery agent; and
- Stage 2 Becoming a Designated Delivery Agent.

Stage 1, which is discussed earlier in the document, relates to planning for consolidation and applies to the delivery and management of child care, Ontario Works and Housing services. This section will describe Stage 2 - the process for becoming a designated delivery agent for child care.

Approved delivery agents will work jointly with MCSS Area Offices to develop a Child Care Transfer Plan. The intent of the plan is to ensure that the transfer of responsibility for the delivery of child care services is managed smoothly and without service disruption. Guidelines for the preparation of the Child Care Transfer Plan will be released early in 1998.

When the transfer plan has been approved and operationalized, delivery agents will become designated. Once the designated delivery agent has entered into a service contract with the MCSS Area Office, they can then begin to enter into agreements with local service providers for child care services.

3.3.4 Administration and Process

Between January 1, 1998 and the time that authority is transferred, child care will be managed in the same way that it was previously. The most significant change will be that provincial/municipal cost-sharing would be broadened :

- There will be 80/20 cost sharing on all child care services with the exception of fee subsidies in approved corporations where those agencies will maintain their 20% contributions.
- Municipalities and the Province will maintain existing service levels.
- The child care system will be managed within provincial policies and standards.
- The 94 participating municipalities will continue to manage their fee subsidy systems. Existing contracts for fee subsidies between MCSS and the 94 participating municipalities will be maintained.
- MCSS will maintain agreements with 92 existing approved corporations to manage and deliver fee subsidies.
- MCSS will maintain agreements with existing service providers throughout the province for all other child care services (resource centres, special needs resourcing and wage subsidy).

3.3.5 Financing

Since January 1, 1998, municipalities have been required to fund 20 percent of the cost of prescribed child care services within their boundaries, with one exception - MCSS is maintaining existing service contracts with approved corporations for fee subsidies. Approved corporations will continue to contribute their share of fee subsidies until a delivery agent is designated.

The municipal and approved corporation's 20% fee subsidy contribution will continue to be collected as per the provisions of existing agreements.

MCSS is maintaining agreements with existing service providers throughout the province for all other child care services (resource centres, wage subsidies and special needs resourcing). Until a delivery agent is designated, the existing structure will be used. Therefore, as an interim measure, each GWA site will be responsible for recovering from its member municipalities the new municipal 20% contribution for wage subsidies, resource centres and special needs resourcing.

3.3.6 Implementation Tools & Supporting Information

MCSS is developing child care transfer guidelines and other support materials to assist municipalities. These should be available in early 1998. A Provincial/Municipal Implementation Group has been formed to provide input into this process. Other tools will be developed as needed, in consultation with municipalities and delivery agents.

3.3.7 Implementation Issues

MCSS and its Area Offices will work closely with municipalities to address implementation issues that may arise during the transfer process.

3.3.8 Changing Roles and Responsibilities

Bill 152 changes roles and responsibilities. The chart below sets out the new provincial and municipal responsibilities in strategic planning, service system management and service delivery on full implementation. The province and municipalities will:

Roles and Responsibilities: Child Care		
	the province	delivery agents
Strategic Planning	<ul style="list-style-type: none"> sets legislative framework, standards, policy objectives and policy directions/priorities 	<ul style="list-style-type: none"> participate in policy forums and joint workgroups provided information, consultation and advice.
Service System Management	<ul style="list-style-type: none"> issues directives and guidelines review delivery agent's budget; enter into service contract with delivery agent monitors: budget; service contract; compliance with directives approves local child care plans; promotes linkages to other children's services 	<ul style="list-style-type: none"> enter into service contracts with MCSS manage implementation of service contracts manage the delivery of prescribed child care services consistent with MCSS directives and guidelines develop local child care plans
Service Delivery	<ul style="list-style-type: none"> continues to licence, inspect and enforce standards (at this time) 80% cost sharing 	<ul style="list-style-type: none"> 20% cost sharing enter into service agreements with service providers for prescribed child care services manage fee subsidies (take client applications, administer eligibility test, place children, manage waiting list)

Is there legislative authority that allows the province to implement the proposed WDW changes for child care?

The *Services Improvement Act* amends legislation that allows for changes in a number of programs affected by the Who Does What changes. Schedule C of the legislation addresses child care through amendments to the *Day Nurseries Act*. These changes make services more efficient, responsive to local needs, and accountable to tax payers.

Have other regulations contained in the *Day Nurseries Act* changed?

Child care standards specified in the *Day Nurseries Act* have been maintained. Delivery agents will manage the delivery of prescribed child care services at the local level within the framework of existing provincial standards.

How did cost-sharing change on January 1, 1998?

Municipalities are now responsible for funding 20% of the cost of fee subsidies, wage subsidy, special needs resourcing and resource centres. Previously, municipalities only had to cost-share 20% for fee subsidies, where they chose to participate in child care.

Are municipalities now responsible for cost sharing fee subsidies flowed through approved corporations?

No. Until a delivery agent is designated, existing agreements with approved corporations will be maintained, and approved corporations will continue to be responsible for their 20% share of fee subsidies.

When will responsibility for managing the delivery of child care be transferred to Delivery Agents?

The transfer will be phased in over time, from early 1998 until 1999, depending on municipal readiness and consolidation requirements. There are two stages:

- The first stage is to become an approved delivery agent by submitting a consolidation plan which meets the consolidation policy requirements. Where there are no consolidation requirements, delivery agents would receive provincial

confirmation of approval.

- ▶ The second stage is for the approved delivery agent to work with the MCSS Area Office to develop a Child Care Transfer Plan which will ensure the smooth transfer of responsibility for managing the delivery of child care. Once the transfer plan has been approved and operationalized, the delivery agent will become designated and can enter into a service contract with the province.

Does this mean that the province will no longer have any role in managing child care?

No. MCSS will still be funding 80% of prescribed child care services. MCSS Area Offices will still be playing an important management role in the child care system through negotiating service contracts with delivery agents, establishing service levels and on-going monitoring.

How will the transition between January 1, 1998 and when Delivery Agents are designated be handled?

Between January 1, 1998 and the time that delivery agents are designated, child care would be managed in the same way that it was previously. The only change is that municipalities are now required to cost-share all prescribed child care services, including fee subsidies, wage subsidies, special needs resourcing and resource centres.

Why hasn't licensing been transferred to municipalities?

The transfer of licensing will be dealt with at a later date. The licensing function is critical to a safe, quality child care system. More time is needed to work with municipalities to look at changes to the licensing system before licensing is transferred.

Previously, the Ministry provided 100% funding for fee subsidies in areas without municipal organization. Has this changed?

No. Ministry funding will continue at least until a delivery agent is designated for the area. We are exploring mechanisms to recover the 20% share of the costs.

3.3.10 Sharing Experiences

MCSS will work closely with municipalities to ensure the smooth transfer of responsibilities.

3.4 PUBLIC HEALTH

3.4.1 Overview: A New Legislative Framework

Public health focuses on the determinants of health rather than the treatment of illness and disability. Public health is involved in health protection and promotion from a population-based perspective. This means that it seeks measures that do the most good for the most people. Public health delivers programs in three key areas:

- Chronic disease prevention, including heart disease, cancer and prevention of injuries.
- Infectious disease control, including AIDS and sexually transmitted diseases, vaccine preventable diseases and the control of outbreaks of infectious diseases.
- Family health, including child health, nutrition, and sexual and reproductive health.

By focusing on prevention and promotion, the public health system reduces the expensive health and disability costs associated with medical treatment, chronic disability and lost productivity. It has been repeatedly shown that an up-front effort to prevent or reduce health-related problems is more cost-effective than attempting to deal with the health problems after they have occurred.

The *Health Protection and Promotion Act* (HPPA) sets out the legislative framework for public health (which includes the Act, regulations and mandatory guidelines). The province sets minimum public health standards. A local board of health, consisting primarily of local municipal appointees, is responsible for the delivery of public health programs and services. In regional municipalities, the regional council is deemed to be the board of health.

Schedule "D" of the *Services Improvement Act*, amends the HPPA. Its objective is to maintain a strong public health system that meets provincial standards. The amendment provides changes in five areas:

- specified mandatory programs;
- municipal requirement to provide adequate funding to maintain minimum provincial standards and provisions for how municipalities will contribute to overall board of health expenses;
- ministry authority to monitor program standards;

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- ministry authority to enforce standards;
 - ministry authority to intervene in emergency situations where a board or municipality is not adequately addressing a risk to health.

Municipalities will now be responsible for 100 per cent of public health funding, with a few exceptions.

The HPPA provides for the Minister of Health to set minimum standards through the issuance of guidelines. The existing guidelines for public health have been revised to bring them up to date with current knowledge in public health practice, to ensure consistency and accessibility of programs across the province, and to facilitate effective monitoring. Release of the guidelines is expected in January 1998.

3.4.2 Governance Decisions

Governance of public health continues to be through local boards of health, with composition primarily from municipal appointees with provincial appointments. In regional municipalities, the regional council continues to be deemed the board of health. Other entities such as county councils may become boards of health on approval by the Ministry of Health, on a case by case basis, through a regulation change.

Eventually, public health services may be considered for consolidation with municipal community health and social services.

3.4.3 Implementation: Options and Requirements

Public health services will continue to be delivered by local boards of health, employing the services of appropriate staff, such as a medical officer of health, public health nurses, inspectors, epidemiologists and nutritionists.

While staff are performing duties related to the delivery of public health programs or services, they must be under the direction of the medical officer of health. The medical officer of health is responsible to the board of health for the management of public health programs and services, and reports directly to the board on issues relating to public health concerns and programs.

Due to the need to have specialized staff, health units need a reasonable population base to be efficient. A population of not less than 250,000 is most likely to achieve significant economies of scale, although this varies with the geographical size of the health unit.

3.4.4 Administration and Process

Revised *Mandatory Health Programs and Services Guidelines* are expected to be available in January 1998. These guidelines will provide the minimum expected level of public health programs and services for all boards of health.

The ministry will be developing a monitoring framework to ensure compliance with the guidelines.

The government intends to work together with municipal partners to implement this shift in roles. Consultations will continue with the Social and Community Health Services Implementation Team, the Association of Municipalities of Ontario, the Association of Local Public Health Agencies, medical officers of health and boards of health to study and resolve outstanding issues.

3.4.5 Financing

Municipalities will fund 100 per cent of all public health costs, except for the purchase of vaccines and the newly announced Healthy Babies/Healthy Children initiative. The Ministry will continue to fund the following current programs until March 1999 to allow time to determine how these services can best be provided on an ongoing basis: genetics; speech; speech and audiology; Public Health Research, Education and Development (PHRED); sexual health hotline. Funding for unorganized areas will be handled by the province until a mechanism for funding all programs in unorganized areas is decided upon.

How the costs are apportioned among upper tier and single tier municipalities is a local decision. In situations where local agreement cannot be reached, the apportionment will be according to the recently approved regulation on this matter.

To address situations where local agreement cannot be reached, a regulation will be created outlining what proportion of their board of health expenses each municipality must pay.

The province will work with municipalities to ensure that certain public health services are not subject to user fees.

3.4.6 Implementation Tools & Supporting Information

Because of the need for centralized monitoring, the ministry has already specified data standards, definitions, and software requirements for some programs.

3.4.7 Implementation Issues

Public health units already exist throughout the province. If the health unit boundaries are going to be changed, then relevant regulations will have to be amended. As well, human resources issues and a division or consolidation of assets will have to be addressed.

The legislation changes do not significantly affect other programs.

The ministry will continue to meet with boards of health and municipalities during the transition, to orient them to the revised mandatory programs and services, and to provide and/or seek advice and consultation as new implementation issues arise.

3.4.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Public Health			
	the province	municipalities	boards of health
Strategic Planning	<ul style="list-style-type: none"> sets minimum standards and requirements for each mandatory program and service establishes linkages with other programs at the provincial level 	<ul style="list-style-type: none"> plan for new financial responsibility appoint/nominate board members 	<ul style="list-style-type: none"> establish local procedures and protocols establish linkages with other local agencies
Service System Management	<ul style="list-style-type: none"> monitors and enforces standards provides professional expertise and consultation to boards of health disseminate epidemiological information and recommendations on disease control measures 	<ul style="list-style-type: none"> allocate funds for service costs 	<ul style="list-style-type: none"> establish annual budgets develop internal mechanisms to ensure provincial standards are met create local governance policies, by-laws, reporting systems, etc. ensure that staff are trained and qualified
Service Delivery	<ul style="list-style-type: none"> 100% funding of vaccines for immunization programs, and of the Healthy Baby/ Healthy Children initiative 		<ul style="list-style-type: none"> direct delivery responsibility

3.4.9 Qs and As

Why is the government transferring 100 per cent of public health program funding responsibility to the municipalities?

The change in funding is part of the Who Does What initiative to realign funding and service responsibilities between the province and local governments. There will be ongoing collaboration between the Ministry of Health and municipalities to ensure public health programs remain accessible and consistent for all Ontarians.

How will transferring funding responsibility make this easier for the municipalities?

This will simplify the funding arrangement and allow municipalities more discretion in setting their public health budgets. These budgets will have to be adequate to meet mandatory public health program standards.

How will the province ensure standards are maintained for public health?

Under Schedule "D" of the Services Improvement Act which amends the *Health Protection and Promotion Act*, the province will have the authority to monitor compliance and enforce mandatory public health program standards.

What are the mandatory public health programs that the municipalities will be required to deliver?

Municipalities will be required to deliver mandatory programs in three key areas. They are:

- chronic disease prevention;
- infectious disease control; and
- family and child health.

Who delivers these mandatory public health programs now, and are there any changes in who delivers them in the new legislation?

Mandatory public health programs will continue to be delivered by boards of health. The province will continue to set program standards for each program. Municipalities will now pay all the costs of these programs, rather than part of the costs.

These mandatory program standards will be available to municipalities and boards of health in January 1998.

When municipalities are paying for 100 per cent of the costs for public health programs, why should the province be setting standards and telling municipalities how to spend their funds?

It is important that public health programs are consistent and accessible to all Ontarians. Municipalities will have added flexibility in delivering mandatory public health programs as long as provincial standards are met. Municipalities will also have the discretion to deliver extra services as they see fit.

What will happen if a board of health does not provide a mandatory public health program (e.g., sexual health)?

The Minister of Health could direct the board of health to do so. If the board still fails to provide the program, remedial action could be taken by the province. In highly unusual circumstances, the province could also step in and provide the program itself and recoup the costs of doing so from the municipality.

Will vaccines be issued when necessary?

The province will retain responsibility for the purchase and distribution of vaccines to boards of health and other health professionals.

Immunization programs will remain mandatory for boards of health.

How will AIDS be controlled?

The province will set and monitor program standards for infectious disease control, including AIDS.

What will happen if an infectious disease outbreak occurs in a health unit and the board is not responding appropriately?

A board of health must deal with emergency situations immediately. In the unlikely event that a board is not responding appropriately to an emergency situation, the Minister of Health will have the legislative authority to apply for a court order to get the board to respond or for the ministry to deliver necessary services and bill the municipality.

3.4.10 Sharing Experiences

The revised *Mandatory Health Programs and Services Guidelines* includes a requirement that boards of health, in collaboration with researchers and practitioners, ensure the development of innovative, cost-effective, evidence-based programs and

services, and that evaluation of programs is undertaken.

In addition, there are protocols already developed for some mandatory programs, which represent best practices. More protocols will be developed as needed.

3.5 SOCIAL HOUSING

3.5.1 Overview: A New Legislative Framework

A three-stage process is planned for the devolution of social housing to municipalities:

1. transferring financial responsibility as of January 1, 1998;
2. reforming social housing programs to simplify administration and examine the potential to integrate some aspects of the program with social assistance by mid to late 1998;
3. devolving administrative responsibility to municipalities following program reform and development of municipal capacity in the 1998-2000 period.

The *Services Improvement Act* deals with the first stage of this three-stage social housing devolution process. The Act provides the province with the authority to recover from the municipal sector the province's costs of administering and funding social housing programs, including programs for non-profit corporations, non-profit housing co-operatives, and the Ontario Housing Corporation. This applies to costs incurred on or after January 1, 1998.

Under the legislation, upper tier municipalities are responsible for paying the costs of social housing. These include the City of Toronto, regional municipalities, counties, restructured County of Oxford, separated municipalities, district municipalities, District Welfare Administration Boards and proposed District Social Services Administration Boards or other similar boards or agencies. The allocation formula for the share of costs to be passed on is to be contained in the regulations.

Subject to the regulations, the legislation will provide for costs allocated to upper tier municipalities to be apportioned among the lower tier municipalities based on assessment, or a different formula if agreed upon by all lower tier municipalities.

Provincial social housing costs are the total costs incurred beginning on and after January 1, 1998, in funding and administering the Ontario Housing Corporation; programs for non-profit corporations that own or lease housing projects and non-profit housing co-operatives; and other prescribed housing projects or programs in existence on introduction of the legislation. Provincial housing costs do not include the federal share of social housing funding.

The legislation allows the Minister of Municipal Affairs and Housing (MMAH) to determine the amount of provincial social housing costs and the amount to be recovered from municipalities for a prescribed billing period. Formulae for the

calculations would be contained in the regulations.

Background: The Social Housing System

The Social Housing System:

The subsidized social housing system has six components, totaling approximately 274,000 units:

- 84,000 public housing units owned directly by the province;
- 57,000 municipal non-profit housing units;
- 74,000 non-profit housing units owned directly by private non-profit corporations;
- 41,000 non-profit co-operative housing units owned directly by co-op members;
- 13,000 units owned by the private sector, in which the tenant's rent is subsidized by the province's rent supplement program;
- 5,000 units developed under the Rural and Native and Urban Native programs.

Federal and provincial roles:

Social housing is funded and administered by both the federal and provincial governments under the following categories:

- Federal unilateral non-profits and co-operatives are administered and funded solely by the federal government (48,000 units).
- Ontario Housing Corporation is administered by the province and cost-shared between the province and the federal government (84,000 units).
- Federal-provincial non-profits and co-operatives are administered by the province and cost-shared between the federal and provincial governments (49,000 units).
- Provincial unilateral non-profits and co-operatives are administered and funded solely by the provincial government (51,000 units).
- The remaining units include rent supplement in federal non-profits, privately owned rent supplement, rural and native and urban native programs, Metro Toronto Housing Company Limited.

The difference between public housing and non-profit and co-operative housing:

Local Management:

Non-profit, co-operative and OHC units are all managed within the community through community-based boards of directors and Local Housing Authorities (LHAs). This means that day-to-day decisions about how local housing projects are managed are currently made by local community representatives.

Different ownership:

Public housing is owned and operated by the provincial government through the Ontario Housing Corporation and operated by 54 Local Housing Authorities (LHAs). Each LHA consists of a board of directors and staff.

Non-profit and co-operative housing is owned and operated by non-profit corporations and subsidized by the government. Both non-profits and co-operatives have boards of directors. Co-operatives are corporations owned by their members (i.e., residents) and the board of directors is made up of members of the co-op.

Different histories:

Public housing was first built by municipalities. In the 1960s, the Ontario Housing Corporation was created and took over title of the municipal projects and the development role. Public housing has not been built in Ontario since the late 1970s, when large, government-owned housing projects were no longer considered the ideal housing solution.

Non-profit housing was first sponsored by the federal government in the 1970s (federal unilateral programs). The province began sponsoring non-profit housing unilaterally in 1987.

Different debt:

Because public housing is older and was built when land prices were lower, the debt is moderate -- much less than the value of the projects. Non-profit housing was built more recently when land and construction prices were high. The debt is significantly greater than the value of the projects. Ontario is responsible for ensuring payment of the loans for this debt. Thirty-five-year operating agreements govern both the federal and provincial funding obligations.

Different condition of stock:

Public housing is older and therefore needs more capital upgrades than does newer

stock. In the past five years, OHC has spent over \$500 million on capital improvements to the housing stock.

Non-profit housing is not in need of major capital expenditures because it is newer. The May Provincial Budget re-invested \$215 million in reserves and capital works for non-profit and OHC projects.

How social housing is subsidized:

The province pays the difference between costs -- such as mortgages, operating costs, maintenance and capital repairs, taxes, etc. -- and revenues or rents. This is paid to the "provider" - the local housing authority in public housing, or the non-profit or co-operative housing organization.

There are actually two different subsidies within the social housing subsidy:

- Subsidizing tenants' rents - the "RGI Subsidy"

Most of the people who live in social housing pay a "rent-geared-to-income" or RGI. For these people, the government is subsidizing the difference between 30 per cent of their income and the rent they would have to pay in the private sector (market rent).

As in the private sector, the money paid for rent goes toward the costs of operating the building.

Not all tenants in social housing have their rent subsidized; some pay "market rent."

- Subsidizing supply or "bricks and mortar" - the "Bridge Subsidy."

In non-profit housing, much of the government subsidy goes to pay for the buildings themselves, i.e. the difference between the market rent for a unit and the actual financing and operating costs of that unit (the economic rent). That is in addition to helping people pay their rent. By contrast, in public housing there is no bridge subsidy; most of the subsidy is to help people pay their rent.

The way in which the subsidy levels are determined are set out in operating agreements between the province and the non-profit housing providers.

Funding for the social housing system in Ontario:

Total annual cost of housing assistance in Ontario is \$1.45 billion, which is cost-shared

with the federal government. The breakdown is as follows:

- In 1996/97, OHC (including Metro Toronto Housing Company Limited and Rent Supplement Programs) cost \$433 million, of which the federal government contributed \$243 million.
- In 1996/97, non-profit housing cost \$1 billion, of which the federal government contributed \$321 million.

Social housing tenants:

- The profile of occupants of social housing is reflective of the broader community. Like the rest of the community, there are families, singles, seniors and people with special needs. Some tenants pay full market rent, while others receive a rent subsidy (RGI).
- In the Ontario Housing Corporation, about half the tenant households are families; about one-third are seniors and one-sixth are singles. In non-profit housing, the proportion of families is even higher -- about two thirds of the units; seniors make up 20 per cent and singles less than 10 per cent.
- Households paying rent geared-to-income have low incomes, either from social assistance, pensions or low-paying work.
- Approximately 60,000 tenants (36 per cent) in social housing who receive a RGI subsidy also receive social assistance.

Tenants with special needs:

- Up to 10 per cent of units in social housing are occupied by special needs tenants.
- These tenants require some level of essential support services to live in the community instead of an institution.
- These clients include frail elderly, physically disabled persons and consumers of mental health services.
- Support services are funded by the Ministry of Community and Social Services or the Ministry of Health, through community-based agencies.

Legal and financial commitments:

Discussions with the federal government are now under way to establish a new federal/provincial agreement which would:

-
- transfer administration of federal unilateral programs to the province;
 - establish what level of continued financial support will be provided by the federal government; and
 - provide the flexibility to devolve administration of both federal unilateral and joint federal/provincial programs to municipalities.

3.5.2 Governance Decisions

The *Services Improvement Act*, which implements the first stage of social housing devolution (interim billing), does not lead to any changes regarding municipal governance.

3.5.3 Implementation: Options and Requirements

There is no change in service delivery for the first stage of social housing devolution.

3.5.4 Administration and Process

There is no change during the first stage of social housing devolution, other than the development of a charge back billings process to recover the provincial cost of social housing from municipalities commencing January 1, 1998. The development of a billing process is nearly complete and refinements will occur over the next few months.

The second stage of social housing devolution, to be completed by mid-to-late 1998, involves reforming social housing programs to simplify administration. The government appointed the Advisory Council on Social Housing Reform to examine the current system of administration, financing and regulation of social housing. The Advisory Council issued its report containing recommendations for the reform of the social housing system. The minister accepted all of the recommendations in principle. A Social Housing Committee with provincial and municipal representation, and three working groups, will be established to work out the details for reform of social housing.

The third stage of social housing involves devolving administrative responsibility to municipalities following program reform and development of municipal capacity in the mid 1998-2000 period.

3.5.5 Financing

As part of the first stage of social housing devolution, municipalities will be responsible for the provincial cost of social housing, starting January 1, 1998. The development of a billing process is nearly complete and refinements will occur over the next few months

As part of this first stage, there will be no financing changes affecting social housing providers, tenants or members of non-profit housing co-operatives. The ministry will collect money from municipalities and will continue to flow money to providers.

3.5.6 Implementation Tools & Supporting Information

Tools will be developed with the billings process for the first stage of social housing devolution.

3.5.7 Implementation Issues

Operational and implementation details of a billings process to implement the first stage of social housing devolution will be developed over the next few months.

3.5.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Social Housing 1998		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none"> consults with municipalities and other stakeholders on devolution process 	<ul style="list-style-type: none"> consult with province and other stakeholders on devolution process
Service System Management	<ul style="list-style-type: none"> transition planning manages current programs pending devolution of system management responsibilities 	<ul style="list-style-type: none"> plan for the devolution of social housing responsibility plan for apportionment of costs in 1998
Service Delivery	<ul style="list-style-type: none"> manages billing process manages current programs in conjunction with current service providers 	<ul style="list-style-type: none"> provide 100% of social housing funding

Part 1 - The Services Improvement Act

What does the Act do?

This Act implements the first stage of the Who Does What proposal to devolve the funding and administration of social housing programs to municipalities. The Bill allows the province to recover the cost of social housing programs from municipalities beginning January 1, 1998.

The cost of social housing programs includes the cost associated with the Ontario Housing Corporation and programs for non-profit corporations and non-profit housing co-operatives. It does not include the federal government's share of costs.

Why is this taking place?

Social housing is being transferred to municipalities as part of the Who Does What initiative. Social housing is one of the community services for low income people that will be provided locally. The next steps are to reform the social housing programs and then to devolve the administrative responsibilities to municipalities through further legislation.

Why is the government making municipalities pay for social housing before the responsibility for administration is transferred to them?

The government intends to reform social housing programs to make them easier to administer and better meet the needs of lower income families before they are transferred to municipalities. This will not happen until after January 1, 1998, and will take time to implement.

When will the transfer of administration of social housing to the municipalities take place?

It is possible that some municipalities may take on the administrative responsibility of delivering social housing programs as early as late 1998, after program reforms have been implemented. The government anticipates, however, that most municipalities will need assistance from the ministry to take on program administration. It is expected that devolution will take place over two to three years as each municipality is ready for the responsibility.

Does the Act specify that the funding responsibility for social housing falls to the "upper tier" level?

The Act makes entities including the City of Toronto, regional municipalities, counties, separated cities, proposed District Social Service Administration Boards, or other similar boards or agencies responsible for paying the costs of social housing.

How will the cost of social housing be shared by municipalities within an upper tier under the Act?

The Act states that, subject to the regulations, the share of costs to be paid by lower tiers will be calculated on the basis of assessment. This is the same method used to calculate other services delivered at the upper tier level.

The Bill proposes a mechanism to be put in place, through regulation, to allow for other methods of cost-sharing appropriate for integrated program delivery.

How will the municipalities know how much to pay?

The ministry proposes to send out a notice indicating the amount payable and when it is due, as well as how payments would be made. The development of a billing process is nearly complete and refinements will occur over the next few months.

What will happen if a municipality refuses to pay its share of social housing costs?

The Act states that where a municipality refuses to pay its share, the money owing is a debt to the Crown and may be recovered by any remedy or procedure available to the Crown under law. This could include holding back on other funding paid to the municipalities or even taking legal action.

Because of some recent reports in the media, it is not clear whether the federal government supports the direction on transferring social housing to the municipalities. Are they against this?

The ministry has the same goals as the federal government for protection of social housing and tenants. The province fully supports the federal principles, and has been very clear in this support in its discussions with CMHC staff. The decision to transfer administration and funding to municipalities does not change the province's position on

this matter. The province hopes to continue discussions with the federal government on that understanding.

How can the province transfer funding responsibility to municipalities before a new agreement with the federal government is in place?

The Act will not result in any changes to current funding relationships with housing providers, and all existing agreements with the federal government will remain in force. Future reform of social housing programs will take into account any agreement reached with the federal government.

Part 2 - The Ontario Housing Corporation

What does OHC do?

The Ontario Housing Corporation (OHC) owns the province's 84,000 units of public housing, making it the largest landlord in Ontario.

OHC also administers approximately 15,000 rent supplement units, subsidizing housing units in private, non-profit or co-op buildings. OHC also subsidizes approximately 15,500 units owned by the Metro Toronto Housing Company Ltd.

How is OHC structured?

OHC is a provincial government agency established under the *Ontario Housing Corporation Act*. OHC currently receives its funding from rent from tenants and subsidies from the provincial and federal governments.

The OHC Board of Directors is appointed by the provincial government and is accountable to the Minister of Municipal Affairs and Housing. The board appoints a chief executive officer and a general manager to manage the corporation.

What is the role of the local housing authorities?

Fifty-four local housing authorities located throughout the province are responsible for the day-to-day management of OHC's housing communities, including Metro Toronto Housing Authority in Toronto. These housing authorities are OHC's agents. The *Services Improvement Act* does not change the relationship between the OHC and the local housing authorities.

Who are OHC's tenants?

OHC provides housing for all types of low-income households, including families, senior citizens and single people. OHC housing is made available on the basis of need, and OHC houses many of Ontario's neediest households. OHC's tenants pay rent based on income rather than the size or type of housing provided.

How is public housing different from non-profit housing or co-ops?

OHC's public housing is owned and managed by the province, while non-profit housing and co-ops are owned and managed by community-based or municipal providers.

What is OHC's current focus?

In the past two years, OHC has focused on taking a more businesslike approach to its assets and service delivery. While there is still work to be done, OHC has been getting more value for each taxpayer dollar by finding efficiencies within the organization.

When the government decided that the delivery of public housing would be administered at the municipal level, OHC refocused its internal restructuring initiative on streamlining operations to prepare for this transition.

What is OHC doing to maintain its housing stock?

Over the past five years (1992 to 1996), \$513 million has been spent on capital improvements to OHC's public housing stock. OHC has developed an asset management system to assess the general condition of its housing stock and project its five-year capital funding requirements. This system will enable OHC to allocate priorities for the additional \$42 million in capital funding announced by the government. A total of \$110 million will be spent on capital improvements for OHC's buildings in 1997.

What about the MTHA stock in particular?

Following the KPMG review of the Metropolitan Toronto Housing Authority (MTHA) assets, immediate steps were taken by MTHA to prioritize work and remedy the identified problems. The high priority work has been completed or is almost complete.

Five million dollars was spent to accelerate fire code retrofit work and to replace elevators, one of the major deficiencies identified in KPMG's report. A total of \$26

million was spent on capital improvements to the MTHA portfolio in 1996. For 1997, MTHA has a budget of \$45.4 million, including its share of the additional \$42 million allocated to OHC for capital work in the 1997 Provincial Budget.

3.5.10 Sharing Experiences

As municipal experiences in this new service area emerge, this section will be updated in order to share those experiences.

3.6 LAND AMBULANCE

Land ambulance is a health care service that is also an emergency service.

Ambulance services operate without boundaries or consideration of jurisdiction. The closest available ambulance is always dispatched to an emergency call regardless of home location or jurisdiction. Ambulances are able to cross municipal, provincial and international boundaries to respond to requests for assistance.

All ambulance services are part of existing provincial and federal joint response and contingency planning efforts for mass casualty incidents, hospital evacuations, health facility relocations, exotic infectious disease transport management, hazardous/nuclear incident patient transport management, airport incident response events, tiered response programs with police, fire, coast guard, First Nations, parks services and armed forces, and ambulance service to military facilities, services and staff.

3.6.1 Overview: A New Legislative Framework

On January 1, 1998, each upper tier municipality will become responsible for funding all costs associated with the provision of land ambulance service within its area. Local municipalities within the upper tier will have the opportunity to develop local cost apportionment agreements.

On January 1, 1998, with ministry approval, regional municipalities may choose to assume full responsibility for contracting with and directly funding existing land ambulance service(s). In all other areas of the province, the Ministry of Health will continue to fund and direct the delivery of land ambulance services and bill municipalities for the cost for a two-year transition period until December 31, 1999. This two-year period allows current operators and upper tier municipalities the opportunity to work together, ensuring a smooth transition within their area.

On January 1, 2000, all upper tier municipalities (regional and county governments or their municipal equivalents) will assume full responsibility to contract for, or to directly deliver, land ambulance services in their area. When the transition period for the current providers ends, municipalities will have the option to choose to continue with the existing ambulance service provider, to become the service provider or to call for highest quality, best price proposals for the delivery of ambulance service.

On January 1, 2000, for those areas that do not form part of an upper tier municipality, arrangements will be put into place to ensure continued delivery of land ambulance services and a fair sharing of costs for those serviced by local municipalities and the residents of any territory that is without municipal organization. Local management will be carried out either by approved service delivery boards, delivery agents or an upper

tier municipality.

Co-payment fees for land ambulance service will continue to be set and regulated by the province (the patient is charged \$45 for ambulance service).

Ownership and operational responsibility for existing ambulance vehicles and equipment will be transferred to municipalities when they assume full responsibility. Future replacement costs for ambulances and basic life support emergency patient care equipment will become the responsibility of municipalities.

Schedule A of the *Services Improvement Act*, Bill 152, sets out the legislative framework for funding and delivery of ambulance services.

Regulations:

Various regulatory changes and regulation-making powers are planned. These regulations will deal with:

- ambulance and dispatch staff qualifications;
- ambulance service operator licensing criteria;
- payment of delivery agent costs and apportionment of such costs;
- functions and duties of base hospitals and communications services;
- determining the amount and method for funding reconciliation between upper and lower tier municipalities;
- sharing of land ambulance costs between upper tier municipalities;
- allowing for different classes of ambulances and services, and establishing different requirements;
- setting of patient care, service performance and operational standards or conditions for ambulance workers and services, dispatch centres and base hospitals;
- defining criteria for transportation of patients; and
- establishing criteria for interaction with other health care and emergency services.

Program and policy decisions affecting the assumption of responsibility for land ambulance by municipalities include: interaction with existing operators; ambulance coverage and workload requirements; understanding the role of the ministry; understanding ambulance service roles and responsibilities in relation to other health care and emergency services clients and stakeholders.

3.6.2 Governance Decisions

Municipal governance implications pertain mainly to decisions surrounding the formation of service boards and the apportionment of costs between upper tier and local municipalities.

3.6.3 Implementation: Options and Requirements

Upper tier municipalities will continue with the existing operator until January 1, 2000, on an interim basis and the ministry will bill the upper tier municipality or equivalent for the actual cost of service provided.

By January 1, 2000, upper tier municipalities will have to choose to become the direct provider of ambulance service, to conduct a call for highest quality, best price proposals for a service provider, or to continue to contract with the existing provider. They will need to determine how best to meet the ministry standards for the type and level of service to be delivered.

3.6.4 Administration and Process

The Ministry of Health will ensure through legislation and regulation that minimum standards are maintained for all aspects of land ambulance service to assure the public that acceptable service quality and delivery levels are met by all service providers. Under this legislation, the province will ensure continuity and maintenance of service levels by requiring that municipalities assume responsibility for service, entering into agreements with existing operators between January 1, 1998, and December 31, 1999. Subsequent to December 31, 1999 all upper tier municipalities will have to deliver service directly or enter into an agreement with an operator who will be licenced by the ministry.

Municipalities will be encouraged to form agreements amongst themselves. However, if they are unable to reach agreement on issues relating to the delivery or funding for land ambulance services, the minister will have the regulation-making authority to impose required solutions. In those instances where a service operator or municipality wishes to protest a decision of the ministry, they will be able to seek relief either through the courts or, in some instances, the Health Services Appeal Board.

3.6.5 Financing

During the transition period, the ministry will fund ambulance service directly and bill each upper tier or single-tier municipality for its contribution. Additionally, each local municipality within the upper tier or equivalent will need to reach agreement on a cost-sharing arrangement for ambulance services.

3.6.6 Implementation Tools & Supporting Information

The Ministry of Health will provide municipalities with specific ambulance service delivery evaluation tools. The ministry will also provide municipalities with prototype

performance agreements that may be used to form agreements between municipalities and their service providers. The ministry will, through its Central Ambulance Communications Centres, provide regular operational quality assurance, audit and system planning information that can be used for forecasting financial, operational and staffing needs for their areas.

3.6.7 Implementation Issues

Implementation issues include:

- a cost recovery mechanism between municipalities;
- ability to pay;
- service levels;
- support to integrated health services and hospital restructuring initiatives;
- support to the rural health initiative;
- maintenance of seamless service delivery;
- ensuring universality of service, regardless of residency or ability to pay; and
- service to First Nations.

There are a number of private, hospital-operated, and volunteer ambulance services that are likely to be taken over by municipalities. This may require mergers between the labour forces of the involved agencies.

During the transition period of January 1, 1998, to December 31, 1999, the Ministry of Health will be extending frequent opportunities for municipalities to attend planning meetings and information sessions that have been a regular regional feature of the emergency health services system in Ontario for over two decades. These meetings involve clients, stakeholders, planning organizations and service providers. Municipalities will have an opportunity to join this existing emergency health services planning framework.

3.6.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Land Ambulance		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">• integrates land ambulance service with all other health care initiatives e.g., rural health and hospital restructuring• legislates, sets standards, establishes guidelines, protocols and best practices	<ul style="list-style-type: none">• plan for funding and service delivery• review contracts• consult with neighbouring municipalities
Service System Management	<ul style="list-style-type: none">• ensures the provision of land ambulance services within the provincial emergency health services system• licencing of services and staff	<ul style="list-style-type: none">• develop methods for cost sharing• consult with province
Service Delivery		<ul style="list-style-type: none">• full responsibility and accountability for funding and delivery• ensure essential linkages with clients, customers and service providers• public and client education

Why is the government transferring 100 per cent of land ambulance service funding responsibility to the municipalities?

The change in funding is part of the Who Does What initiative to realign funding and service responsibilities between the province and local governments. There will be ongoing collaboration between the Ministry of Health and municipalities to ensure land ambulance services remain accessible and consistent for all Ontarians.

What is the benefit for the municipalities in funding 100 per cent of land ambulance services?

Municipalities will have a greater opportunity to create efficiencies as they explore ways to integrate services better-- firefighting, ambulance and police -- or to integrate ambulance with other health and social services.

How will the province ensure that the transfer of funding responsibility for land ambulance services delivery to the municipalities will not cost the local government and the taxpayers more, and will not result in the decline of ambulance service quality and efficiency?

As of January 1, 2000, municipalities will have had to select from the options of directly providing land ambulance services, establishing a contract with an existing provider, or selecting the highest quality, best price operator to deliver the service through a Request For Proposal process.

The ministry will work closely with municipalities to ensure a smooth transfer of responsibility.

Through Bill 152, the province will continue to be able to set standards, monitor compliance and enforce minimum levels of service access, delivery and performance.

What is the transition period?

On January 1, 1998, with ministry approval, regional municipalities that are ready could choose to take over the responsibility for contracting with and funding directly existing land ambulance services.

By January 1, 2000, all regions and other upper tier municipalities will have to assume responsibility for delivering or contracting for all land ambulance services. By that date, municipalities will have had to select from the options of directly providing land ambulance services, establishing a contract with an existing provider, or selecting the highest quality, best price operator to deliver the service through a Request For

Proposal process.

During the transition period, the province will continue to contract with providers for the delivery of land ambulance services in those regional municipalities which have chosen not to do so and all other areas of the province. The province will bill the respective municipalities during the transition period.

How was the operating cost (program specific allocation) for land ambulance calculated?

The total provincial operating cost for land ambulance is about \$212.95 million. This amount includes \$200.35 million for the operation of all licensed ambulance services and \$12.6 million for the replacement of vehicles and equipment. Upper tier municipalities (that is, regions, counties and districts) will share these costs based on the actual operating costs of the services located in each upper tier municipality.

The operating cost of land ambulance service is different among upper tier municipalities. What are the factors other than the size of population that would contribute to that difference?

The population size in a municipality is the main contributing factor to the operating costs of the service. Other factors include geographic location, demographic conditions, the volume of calls due to the type of patients and the health care facilities available in the area.

Who will be setting the co-payments for ambulance services?

The Ministry of Health will continue to set co-payments for ambulance services that apply consistently across Ontario. No increase in the ambulance co-payment is planned at this time.

Who will determine the qualifications for patient care providers in ambulance services?

The province will continue to set qualifications for competency levels and continuing education for patient care providers, including paramedics.

How will the province ensure standards and service levels are maintained for land ambulance services?

Under the proposed legislation, the province will continue to licence land ambulances and continue to monitor and enforce standards of operation (e.g., vehicles, equipment and paramedic qualifications).

When municipalities are paying for 100 per cent of the costs for land ambulance services, why should the province be setting standards and telling municipalities how to spend their funds?

The province has a responsibility to ensure that land ambulance services remain accessible and consistent for all Ontarians.

How will ambulance calls be handled when an ambulance from one municipality is required to cross a boundary into another municipality?

Central ambulance communications centres will continue to assign ambulance calls to the closest available ambulance vehicle irrespective of municipal boundaries.

Will municipalities be able to recover the cost of providing ambulance services to patients whose residences are outside the municipality that provided the service?

Each municipality will provide ambulance service as directed by ambulance dispatch regardless of the residency of the user. Municipalities may well develop a cost-sharing agreement to recover service costs when the ambulance from one municipality provides service to another municipality. If municipalities cannot agree on an equitable method, the minister has the regulatory authority to set a cost-sharing formula between municipalities.

Since separated cities and towns are not part of an upper tier municipality, how can they deal with land ambulance services?

Separated cities and towns located within the geographic boundaries of an upper tier municipality will need to reach an agreement with the upper tier municipality on the funding and delivery of ambulance service throughout the area. The minister is willing to help facilitate these discussions.

Since the ministry will retain the ambulance dispatching function, how are municipalities going to be able to control the costs of land ambulance service in their jurisdictions?

Dispatch does not control the costs of land ambulance service. Cost and use of land ambulance service are driven by user demand. Centralized dispatch covering several upper tier municipalities deploys available resources in the most efficient manner possible. The current centralized dispatch for land ambulance (18 dispatch centres)

provides a highly efficient dispatching system over a number of upper tier municipalities.

Who is responsible for ensuring that land ambulance service is available to unorganized areas and First Nations communities?

On January 1, 2000, arrangements would be put into place to ensure local management of land ambulance service and fair sharing of the costs of the service by local municipalities and the residents of a territory without municipal organization. Local management would be carried out by service boards or municipalities.

First Nations communities will have the opportunity to operate their own service or contract for service with an operator or neighbouring municipality.

What provisions have been made to provide land ambulance services in northern and remote areas?

The government is working with the Ministry of Northern Development and Mines to identify service delivery agencies for the purpose of securing essential services for northern and remote areas. For those unorganized and remote areas unable to join a municipality, the ministry will retain responsibility for the delivery of the ambulance services until such time as an area service board or designated agent is operational. A bill will be sent to the local municipality or the provincial land tax office for their portion of costs.

Are any consultations planned with municipalities, operators, institutions, other emergency services and the public?

The ministry will continue to work together with municipalities in conjunction with the Social and Community Health Services Implementation Team and other stakeholders through Emergency Health Services advisory groups. The ministry will also meet regularly with provider representatives.

Will the ministry consider some form of partnership with municipalities in the dispatching of land ambulance services?

The Ministry of Health will continue to fund and direct the operation of ambulance dispatching services through either licenced or ministry-operated Central Ambulance Communications Centres. Currently, there is a mixture of municipal, hospital and ministry-operated dispatch centres in the province.

The ministry is open to discussing alternative providers, such as municipalities, of wide-area centralized land ambulance dispatching, as long as service levels can be maintained.

At present, the ambulance dispatch provides dispatch services to 30 local fire departments. Municipal interest in this partnership would indicate that this number will double in the next few years.

What does Consolidated Municipal Services Management (CMSM) mean for land ambulance services?

CMSM creates an opportunity to implement a more integrated and effective system of social and community health services. CMSM may well be the most appropriate entity to operate or fund land ambulance services, but other options may be explored.

Is land ambulance included in the plans for consolidation?

The first step in this implementation is consolidating the management and delivery of Ontario Works and child care at the municipal level. That means reducing the number of delivery organizations. This consolidation will provide a basis for exploring further integration of services, possibly including land ambulance services. The province wants to ensure that the number of municipal organizations that operate or contract for land ambulance services is kept at or under 50.

How could land ambulance services be integrated with other emergency services if ambulance service is managed under CMSM?

Integration of emergency services could occur if other emergency services were to become the responsibility of regional or county governments. Integration of all emergency services at the county or regional level may be a better idea than integration of land ambulance services with other community health and social services. The province wants to help municipalities explore both options.

What effect will the transfer of land ambulance have on the integrated health services, health care restructuring and rural health initiatives?

Bill 152 provides the authority to pass regulations which will set performance standards. Should initiatives such as the integrated health services, health care restructuring and rural health require additional resources, municipalities affected will be asked to fund the related enhancements to the ambulance system.

3.6.10 Sharing Experiences

The Ministry will work closely with municipalities to ensure a smooth transition.

3.6.10 Sharing Experiences

As municipal experiences in this new service area emerge, this section will be updated in order to share those experiences.

4

Transportation & Utilities

4. TRANSPORTATION AND UTILITIES

4.1 MUNICIPAL TRANSIT

4.1.1 Overview:

Provincial subsidy support for municipal transit will cease on January 1, 1998. Municipalities have been, and will continue to be, fully responsible for operating transit services. As a result of the Who Does What restructuring, municipalities will also be responsible for transit funding. There are no asset transfers associated with this initiative.

The province will fulfill the following transit-related contractual obligations which were developed before the Who Does What announcements: the Toronto Transit Commission (TTC) five-year capital agreement (\$915 million), Sheppard Subway Project (\$512 million), and the purchase of new Orion buses for municipal systems throughout the province.

The municipal authority to provide transit services is already set out in the *Public Transportation and Highway Improvement Act* (PTHIA). As well, the Act already establishes the Minister of Transportation's authority to prescribe the provincial subsidy rate for municipal transit capital and operating costs.

Ontario Regulations set out accessibility standards for special purpose vehicles designed to carry disabled travelers.

The new *Municipal Act*, if passed, will protect the municipal transit provider's service monopoly within the municipality's boundaries.

The province will continue to be responsible for transit safety. Transit operators, like other commercial vehicle operators, are governed by the *Highway Traffic Act*.

4.1.2 Governance Decisions

Municipalities are already responsible for delivering municipal transit services. The WDW change would make them fully responsible for funding the service.

4.1.3 Implementation: Options and Requirements

There are no particular implementation options or requirements faced by municipalities.

4.1.4 Administration and Process

With the termination of the provincial subsidy program, the ministry will no longer collect municipal transit operating or financial data. The notable exceptions are the multi-year TTC, Sheppard Subway and Orion contractual obligations, which will entail a continued but more focused management role for the ministry. The terms and conditions of the associated reporting and other process requirements are set out in each contractual agreement.

4.1.5 Financing

With the end of provincial transit subsidies, municipalities will determine all financing arrangements. Improved cost recovery may be available to municipal operators.

4.1.6 Implementation Tools & Supporting Information

The ministry is not planning to develop any implementation tools for this initiative.

4.1.7 Implementation Issues

Municipalities are expected to apply for capital "seed" funding through the transportation component (\$200 million) of the Municipal Capital and Operating Restructuring Fund. MCORF eligibility criteria, however, are still under development.

4.1.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Municipal Transit		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">• ongoing commitment to safety, outstanding contractual obligations, and a future role in analyzing transition funding allocation proposals.	<ul style="list-style-type: none">• plan for the coordination of Ontario's municipal transit systems.• forecast for future service and financing needs.
Service System Management	<ul style="list-style-type: none">• The ministry is evaluating the need for province-wide accessibility standards	<ul style="list-style-type: none">• plan for delivery and financing of local and inter-community transit systems.
Service Delivery		<ul style="list-style-type: none">• have full service delivery and funding responsibility

4.1.9 Qs and As

How were Who Does What related transit costs (\$272.9 million per year) allocated?

Operating costs were allocated on the basis of the 1996/97 provincial operating subsidy. Capital costs were allocated on the basis of annualized historical five-year capital requirements, at the 75 per cent provincial subsidy rate. The five-year average was used to level out the uneven nature of annual transit capital funding.

4.1.10 Sharing Experiences

New efficiencies are possible by integrating municipal transit with community transportation services. As examples of integrated transit and community transportation services are developed, they will be made available to other municipalities.

4.2 GO TRANSIT

4.2.1 Overview: A New Legislative Framework

GO Transit (Toronto Area Transit Operating Authority) is currently a Schedule II Crown Agency administered and regulated through the Toronto Area Transit Operating Authority Act (TATOA). GO Transit provides interregional transit services (both rail and bus) in the five GTA regions and Hamilton-Wentworth. The province currently provides capital and operating subsidies to GO Transit, totaling \$110 M per year.

Effective January 1, 1998, responsibility for GO Transit will be transferred to the upper tier municipalities (GTA regions and Hamilton-Wentworth).

4.2.2 Governance Decisions

Effectively, GO Transit in its entirety will be transferred to the GTA upper-tier municipalities and the Region of Hamilton-Wentworth, likely through the Greater Toronto Services Board (GTSB). The GTSB would then determine how GO Transit interregional commuter services can best be delivered. Fares, service levels, and expenditures would be determined by the GTSB.

4.2.3 Implementation: Options and Requirements

The transition to GTSB service management is subject to government decisions and the introduction of legislation.

4.2.4 Administration and Process

In all likelihood, municipal administration of GO Transit will occur at the upper tier level, through the Greater Toronto Services Board.

4.2.5 Financing

Costs for GO Transit's capital and operating subsidies are to be allocated among the affected regions. The initial cost allocation formula will be determined by the province in consultation with the regions. It will be up to the regions individually to determine how the costs will be allocated to the lower tier municipalities.

4.2.6 Implementation Tools & Supporting Information

No implementation tools are currently planned for this initiative.

4.2.7 Implementation Issues

Legislation to establish the Greater Toronto Services Board will be introduced by the Minister of Municipal Affairs and Housing.

4.2.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: GO Transit		
	the province	municipalities/GTSB
Strategic Planning	<ul style="list-style-type: none">devolution of strategic planning functions to the GTSB is proposed.	<ul style="list-style-type: none">plan for interregional transit provision in the GTA.
Service System Management		<ul style="list-style-type: none">GTSB, if established, will assume responsibility for service system management.
Service Delivery		<ul style="list-style-type: none">direct and full service delivery and financing responsibilities through the GTSB, if established.

4.2.9 Qs and As

This section is not applicable at this time. If questions arise during Who Does What education and training, this section will be updated.

4.2.10 Sharing Experiences

This section is not applicable at this time.

4.3 AIRPORTS

4.3.1 Overview: A New Legislative Framework

In November 1995, the province announced the withdrawal of subsidies for municipal airports starting in 1997/98. On January 15, 1997, in response to the recommendations of the Who Does What panel, the province announced that municipalities will be fully responsible for funding municipal airports.

Municipal airport operating subsidies for 1996/97 amounted to \$0.660 million; there were no subsidies for 1997/98. Capital subsidies amount to \$2.962 million for 1997/98.

The estimated operating and capital cost impact on municipalities for municipal airports is \$3.6 million. The estimated impact has been determined on the basis of the 1996/97 provincial operating subsidy amount and the annualized capital replacement needs based on multi-year planning estimates.

The province will continue to support the system of remote airports across Northern Ontario.

4.3.2 Governance Decisions

The Municipal Airports Program will be discontinued upon completion of current contractual commitments into 1998. Municipalities may wish to explore an enhanced mandate for the Airport Management Conference of Ontario (an association of municipal airports) to develop guidelines for various aspects of airport development and operations and provide other services.

4.3.3 Implementation: Options and Requirements

Municipalities, or their Authorities/Commissions, will continue to have responsibility for the ownership and operation of airports.

4.3.4 Administration and Process

Municipal airport development and operation will continue to be administered locally. There are no policy issues to resolve with the provincial government with respect to the Municipal Airports Program.

An enhanced Airport Management Conference of Ontario (AMCO) could represent

municipal interests concerning other issues with the province (e.g., land use matters, property taxation matters, etc.).

4.3.5 Financing

The province has terminated both operating and capital subsidies for municipal airports effective April 1, 1997, except for outstanding contractual commitments.

Where applicable, municipalities should apply for federal funding assistance under the Airport Capital Assistance Program (ACAP).

Municipalities can seek greater private sector participation in airport development or improvement projects.

Municipalities should be encouraged to set aside funds on an annual basis for future major rehabilitation initiatives.

Municipalities may wish to review whether users are contributing adequately to the cost of airport improvements and operations.

4.3.6 Implementation Tools & Supporting Information

Multi-year financial planning, business plans, infrastructure technical evaluations, life-cycle planning and support service management are useful tools for municipal airport management.

4.3.7 Implementation Issues

Ministry financial assistance under the Municipal Airports Program has been subject to the conditions of a Municipal Airport Subsidy Agreement with each municipality. The agreement outlines the obligations of all parties involved and the terms and conditions under which transfer payments are made.

While most conditions are administrative, a number are included to help ensure the protection of both the airport and the users for both present and future operations. The Agreement includes references to: minimum standard of operation as required under the federal Aeronautics Act and Regulations; airport land use matters; property ownership matters; and compliance requirements with airport development plans. It will be necessary to ensure mechanisms are in place for the continued protection of the airport from conflicting uses.

4.3.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Public Airports		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">Provincial planning will be limited to strategically supported airports.	<ul style="list-style-type: none">plan and coordinate the development and financing of the public airport system.
Service System Management		<ul style="list-style-type: none">develop and manage the public airport system.The role of the Airport Management Conference of Ontario (AMCO) could be strengthened to provide technical advice and assistance to member municipalities and to promote public awareness.
Service Delivery		<ul style="list-style-type: none">Municipalities and/or the private sector will be responsible for funding of local airport development and operations.

4.3.9 Qs and As

As questions arise during Who Does What education and training, this section will be updated.

4.3.10 Sharing Experiences

This section will be updated to share municipal experiences in the management of municipal airports.

4.4 MINIMUM MAINTENANCE STANDARDS: ROADS AND BRIDGES

4.4.1 Overview: A New Legislative Framework

Section 54 of the *Better Local Government Act* (Bill 86) amended the *Municipal Act* and other related legislation and received royal assent on December 19, 1996. The amendments were in response to liability related concerns raised by municipalities with respect to the Who Does What sub-panel on municipal administration. The legislative changes relating to municipal roads and bridges are as follows:

- The statutory duty to keep roads and bridges in reasonable state of repair is made explicit.
- Municipalities can have regard to a number of factors in keeping their roads and bridges in repair, including the character of the road and bridge and where they are located.
- The changes clarify that a municipality is not liable if it did not know of the disrepair and could not reasonably be expected to have known.
- Similarly, the municipality would reduce its exposure to liability if it takes reasonable steps to prevent the state of disrepair from arising or to remedy it.
- It gives the Minister of Transportation the authority to set minimum standards by regulation, which, if met, would provide municipalities with a new defense against liability claims.

Final standards in regulation are expected to be in place by early 1998. Municipalities that choose to follow the standards will have to revise their operating policies and practices accordingly, if necessary.

4.4.2 Governance Decisions

There will be no fundamental changes to local authority.

4.4.3 Implementation: Options and Requirements

Since the standards are proposed to be outcome oriented, how the municipalities choose to meet the standards will be their responsibility. Service delivery changes are expected to be minimal although this may vary from municipality to municipality depending on the final standards.

4.4.4 Administration and Process

The legislation has been worded to give municipalities the choice of following the minimum standards and using the new defense in the *Municipal Act* or to continue to use their own standards. If a municipality does not have minimum standards or a risk management plan, the judicial process will determine what constitutes a reasonable standard during the course of a lawsuit.

The province will not enforce compliance with the standards. Monitoring will be undertaken jointly with the municipal sector to determine the effectiveness of the standards.

4.4.5 Financing

The standards are designed to help minimize municipal financial liability.

4.4.6 Implementation Tools & Supporting Information

The Ministry of Transportation (MTO) will work closely with the municipal sector, primarily through the Ontario Good Roads Association (OGRA) to assist municipalities as they adopt the new standards. OGRA will be implementing training courses for municipal engineers and roads superintendents.

4.4.7 Implementation Issues

A project steering committee is guiding the project. The final decision on the standards rests with the ministry since the minister has the authority under the *Municipal Act* to regulate minimum standards.

The standards represent minimum levels of maintenance with safety as the paramount concern. The standards are not intended to address preservation of infrastructure or to correct existing geometric deficiencies. Consequently, these standards are not best practices standards, and municipalities are encouraged to exceed a standard to ensure proper risk management and to take into consideration other objectives such as infrastructure preservation.

An effective date for the winter standards for the 1998/99 winter maintenance season will likely be required if the regulation is passed during the 1997/98 winter maintenance season as anticipated.

4.4.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Roads and Bridges		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">establishes legislative framework	<ul style="list-style-type: none">consult with province on legislation and regulations (Key role for OGRA)
Service System Management	<ul style="list-style-type: none">establishes minimum standardsmonitors the effectiveness of standards	<ul style="list-style-type: none">determine what standard approach is neededdetermine what operational practices will be used to meet standardsmonitor the effectiveness of standards
Service Delivery		<ul style="list-style-type: none">maintain and fund roads and bridges under municipal jurisdiction

4.4.9 Qs and As

What is the rationale for developing the standards?

The standards are in direct response to concerns raised by municipalities about rising liability claims and insurance premiums related to municipal road and bridge maintenance.

Are municipalities required to follow the standards?

No. Municipalities are not required to follow the standards. However, if they wish to make use of the new defense in the *Municipal Act* against liability claims, they must meet or exceed the standards. Since the courts will likely use the minimum standard to determine whether the standard of repair performed by the municipalities is reasonable, municipalities are encouraged to meet the minimum standard.

Who will enforce the standards?

Since the standards are voluntary, the province will not enforce compliance. The courts will determine if the municipality met the standard related to the alleged default.

4.4.10 Sharing Experiences

The proposed standards will be outcome based. Municipalities will decide how the maintenance is to be provided to meet or exceed the standards. As municipal experience develops, with new legislation and regulation, this section will be updated.

4.5 HIGHWAY TRANSFERS

4.5.1 Overview: A New Legislative Framework

On January 1, 1998, municipalities will become responsible for 3,400 kilometers of highways that primarily serve local needs, including 160 kilometers of related connecting highways. To help municipalities to manage this additional responsibility, the government will provide a one-time, lump-sum compensation package of \$225 million.

Subsection 29(7) of the *Public Transportation and Highways Improvement Act* (PTHIA) already gives the minister authority to revoke the designation of a Kings Highway upon the transfer of a highway.

Since the PTHIA is silent on notification of the highway adjacent land owners, permit holders and potential developers, the onus will be on the municipalities to provide such notice and make any modifications to the terms and conditions of permits.

Municipalities must pass new bylaws to replace the ministry's current Ontario Regulations (speed limits, no-parking, stop signs, etc.), so that traffic control on the roadway continues to be enforceable. Municipalities may wish to set up their own traffic control measures. However, as a starting point, the ministry's regional offices will provide copies of the regulations that relate to the existing traffic signs and speed zones.

Conversely, it will be necessary for the ministry to repeal regulations that are no longer relevant to the province.

The ministry will prepare official surveys, land transfers and regulations — and final Orders in Council — to effect each transfer formally.

Some MTO assets to be transferred are in areas known to be susceptible to salt contamination and other environmental liabilities. Unless a municipality agrees to take on these liabilities, the ministry will remain liable for any damage originating from before the January 1 transfer date.

4.5.2 Governance Decisions

The highway transfers are being carried out at the upper tier municipal level. Some upper tiers will elect to transfer their highways, in turn, to lower tier municipalities.

4.5.3 Implementation: Options and Requirements

Most highway construction and maintenance activities are already contracted out to private sector sources.

4.5.4 Administration and Process

The ministry will provide municipalities with the following types of information on every section of highway to be transferred:

- road inventory data sheets on pavement condition, existing and future traffic volumes, and accident information;
- bridge inventory sheets with condition, size and dimension information;
- Ontario Regulations, permits, surveys, signing and corridor controls.

Although the ministry can advocate that existing highway numbers be retained, the municipality will have ultimate jurisdiction. The ministry will discuss numbering changes with the municipalities in an effort to maintain continuity and minimize disruptions for the travelling public.

The Provincial-Municipal Implementation Team (PMIT) established a highway transfers working group to resolve the outstanding implementation issues and achieve a smooth transition of responsibilities by January 1, 1998. The work group agreed on a fall/winter work plan to address the following priority issues in partnership with ministry staff:

- winter maintenance contracts;
- disposal and transfer of ministry patrol yards and other assets;
- highway information exchange: transfer of data files on each section of affected highway;
- route numbering and signing;
- tourism designation signing;
- official provincial highway map;
- long-term and emergency financing needs.

4.5.5 Financing

The province will provide municipalities with a one-time \$225 million compensation package to address capital and maintenance needs associated with the 3,400 kilometers of highway transfers. Compensation is based on:

- a contribution to one-year maintenance needs;
- a contribution to five-year capital needs;
- additional compensation for municipalities affected by a disproportionately large increase to their existing road system.

4.5.6 Implementation Tools & Supporting Information

The ministry and municipalities have set up a joint steering group to develop minimum maintenance standards for municipal roads and bridges.

4.5.7 Implementation Issues

When the highway transfer is effected, the Ontario Provincial Police (OPP) will transfer policing responsibility to the corresponding municipal police service in areas where municipal police services exist. Where the OPP is the police agency of jurisdiction, the responsibility for policing will remain with the OPP. The OPP will be responsible for ensuring a smooth transition of policing takes place in the affected municipalities.

Advance notice signs will be put up by the ministry of those highways to be transferred, to inform the travelling public in the area.

A transferred highway which passes through a native reserve will be treated like any other municipal road passing through reserve lands.

Some municipalities may require training on the operation of ministry traffic control systems that will be part of the highway transfer.

4.5.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Highway Transfers		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">MTO will focus its resources on the remaining provincial highway system.	<ul style="list-style-type: none">plan for the management of new local highways.consult with province on transportation system planning issues.
Service System Management	<ul style="list-style-type: none">The <i>Highway Traffic Act</i> will continue to regulate the safe operation of vehicles across the provincial and municipal highway systems.	<ul style="list-style-type: none">work with MTO toward uniform, minimum maintenance standards for municipal roads and bridges.
Service Delivery	<ul style="list-style-type: none">The government will continue to be responsible for provincial highways in sparsely populated areas.	<ul style="list-style-type: none">direct and full responsibility for service delivery and funding.

4.5.9 Qs and As

This section is not applicable at this time. If questions arise during Who Does What education and training, this section will be updated.

4.5.10 Sharing Experiences

As municipal experience with managing the transfer of highways emerges, this section will be updated.

4.6 LOCAL FERRIES

4.6.1 Overview: A New Legislative Framework

Municipalities will assume responsibility for ferry services to Amherst, Howe, Mackenzie, Pelee, Simcoe and Wolfe Islands. These ferries primarily meet local needs and link local roads. The province will continue to own and operate two ferries: the Glenora ferry, a vital link in the provincial highway system; and the Abitibi ferry, which is located in a remote, unorganized municipality.

Municipal authority to operate local transportation services, including local ferry services, is found in the *Municipal Act*. Portions of the provincial *Ferries Act* will be repealed.

Two independent, municipally led business planning processes were established in early 1997 to identify cost reduction, revenue generation and alternative service delivery opportunities for the Eastern Ontario and Pelee Island ferries. The final business plans were to be submitted to the Minister of Transportation by mid-October 1997, and their findings will shape the January 1, 1998 transition strategy.

4.6.2 Governance Decisions

Municipal authority to operate local ferry service has not changed. Operation of ferry services will be transferred to the municipal level of government. It will be the responsibility of the receiving municipalities to determine any future role for the private sector or other delivery agent.

4.6.3 Implementation: Options and Requirements

Both provincial and municipal ferry operators are required to meet safety and certification requirements set out in federal Canadian Coast Guard regulations.

The municipally led business planning process was to evaluate opportunities for cost-sharing and co-managing the ferry services between the affected island and mainland lower tier municipalities.

4.6.4 Administration and Process

The province is not planning to have direct involvement in municipal ferry operations beyond the January 1, 1998, transition period. There are no plans for the province to

impose administration and process requirements.

4.6.5 Financing

The ferry-related asset base to be transferred to the municipal level includes vessels, docks, "bubble systems" (designed to prevent water channels from freezing over in the winter), and maintenance equipment. The Ministry of Transportation continues to work with the Ministry of Finance on the conditions of the asset transfer — with a particular interest in ensuring that assets under municipal control will continue to be dedicated to local transportation purposes.

A charge back arrangement will be necessary, in the event a viable business plan is not readily implemented and the province continues to operate the ferries on behalf of the municipality beyond January 1, 1998.

In a separate but concurrent initiative, the federal government is transferring its ownership of dock-related facilities to the province. The Ministry of Transportation will, in turn, look for opportunities to transfer these additional assets to the municipalities.

4.6.6 Implementation Tools & Supporting Information

To facilitate the business planning process, particularly the preparation of future cost and revenue estimates, Ministry of Transportation regional staff have provided municipal decision-makers with current operating and financial data associated with the provincial ferry operations.

Ministry regional staff will be available to work alongside the new municipal ferry operators in early to mid-1998, to help ensure a smooth and seamless transition period.

4.6.7 Implementation Issues

Business plans will set the stage for detailed implementation planning activities for the transition period. There are a variety of issues that municipalities may consider relating to the long-term management of ferry systems, including:

- the benefits of a local management board or other structure to operate ferry services, and the extent of participation by local government, business and citizens;
- linkages between viable ferry operations and the islands' long term economic development strategies, including tourism development and investment-attraction;

- future continued access to highly skilled marine/engineering workforce; and
- long term financing: capital replacement strategies.

4.6.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Local Ferries		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none"> Beyond the transition period, there is no anticipated provincial role in setting strategic or policy directions, service system planning or service quality levels for local services. 	<ul style="list-style-type: none"> full responsibility for planning for municipal ferry systems.
Service System Management	<ul style="list-style-type: none"> The Ministry of Transportation will have a key role in asset transfer issues and in analyzing municipal transition funding proposals. 	<ul style="list-style-type: none"> full responsibility for managing ferry systems.
Service Delivery	<ul style="list-style-type: none"> own and operate Glenora and Abitibi Ferries. 	<ul style="list-style-type: none"> direct responsibility for the delivery and funding of local ferry services.

4.6.9 Qs and As

How were the ferry-related Who Does What cost estimates (\$10.6 million) arrived at?

Operating needs were based on 1995/96 (last available complete year) operating subsidies and direct expenses. Capital numbers are based on annual three- to-five year critical needs.

How will cost estimates affect the locally led ferry business plans now under way in eastern Ontario and Pelee Island?

The Who Does What estimates should complement the detailed financial analysis currently being undertaken by independent consultants for the Eastern Ontario and Pelee Island ferries. While the Who Does What numbers are only estimates of capital and operating cost impacts, the two business plans have a much broader and more detailed mandate. They will examine all options and opportunities for cost reduction, revenue generation, alternative service delivery, and service innovation to ensure viable local ferry operations for both the interim transitional period and long term.

4.6.10 Sharing Experiences

This section will be updated as municipal experience in managing ferries emerges.

4.7 ON-SITE SEPTIC SYSTEMS

4.7.1 Overview: A New Legislative Framework

Schedule B of the *Services Improvement Act, 1997* provides authority for the regulation of smaller on-lot sewage systems to be removed from the *Environmental Protection Act* (including the relevant changes proposed in the *Water and Sewage Services Improvement Act*) and incorporated in the *Building Code Act* (BCA). The legislation means that responsibility for septic tank inspection and approvals will be transferred from the Ministry of Environment (MOE) to municipalities and that the function will be carried out on a full cost-recovery basis.

The legislation requires that a person appointed as an inspector meet qualifications prescribed by the Ontario Building Code (OBC) and that any person engaged in the business of constructing, installing, repairing, etc., a sewage system be required to meet prescribed qualifications. These qualifications and the associated certification or licensing scheme would be prescribed by regulation.

The legislation provides authority for the assignment of enforcement responsibilities for sewage systems to boards of health or conservation authorities in prescribed municipalities and territory without municipal organization in the North. Boards of health and conservation authorities will appoint inspectors who would have the same powers as chief building officials in enforcing sewage system provisions in the BCA or OBC.

These provisions are expected to come into effect in March 1998.

Regulations are currently being developed which would:

- establish the qualifications for septic inspectors and installers and create the administrative framework for certifying these individuals (e.g., training models, examination requirements, appeals procedures, etc.);
- identify which areas of Northern Ontario will be assigned to boards of health and conservation authorities for septic enforcement;
- establish transitional requirements (e.g., how to deal with approvals in process, how to effect the transfer of records); and
- include standards for the construction, operation and maintenance of small on-lot septic systems into the Building Code.

Specific Legislative Citations From Schedule B:

- **Section 1(1)** brings septics into the Building Code Act (BCA) by expanding the definition of “building” to include “sewage systems.” These will be defined in the Ontario Building Code (OBC) to include small, on-lot systems.
- **Section 2(2)** allows the province to require certification of inspectors, by regulation in the OBC.
- **Section 3** allows the province to assign enforcement of septics provisions to prescribed boards of health or conservation authorities, allows them to appoint inspectors, and gives these officials the same powers as chief building officials.
- **Section 8** gives the chief building official the authority to attach conditions when approving equivalent systems or designs. Conditions may go beyond construction and may relate to “operation or maintenance.”
- **Section 10** expands the definition of “unsafe buildings” to include sewage systems not maintained or operated in accordance with the BCA and OBC.
- **Section 12** enables the OBC to require certification and/or licensing of installers by regulation.
- **Section 16** enables municipalities to delegate enforcement of sewage systems to upper tiers, boards of health or conservation authorities by agreement.
- **Section 17(4)** expands regulation-making power to allow the OBC to include provisions re:
 - prescribed boards of health and conservation authorities;
 - use of alternate materials, etc.;
 - location, class of sewage system;
 - certification or licensing of inspectors or installers;
 - appeals of license suspension; and
 - transitional matters.
- **Section 24** transfers large, communal and off-lot systems from the EPA to the Ontario Water Resources Act.

4.7.2 Governance Decisions

The legislation, in many parts of the province, results in the responsibility for enforcing septics standards moving from, in most cases, public health units (which act on behalf of MOE) to single tier and lower tier municipalities, which are required to enforce the Building Code. In the North, existing delivery agents will be assigned septics standards

enforcement responsibilities.

4.7.3 Implementation: Options and Requirements

The *Building Code Act* makes single tier and lower tier municipal councils responsible for enforcing the Act and the Building Code, and as such, they would be responsible for the new provisions related to septic systems. As drafted, Schedule B of the *Services Improvement Act* allows municipalities to enter into agreements with upper tier municipalities, public health units or conservation authorities to carry out septic inspections and approvals. Municipalities will make the decision as to which of these options is best suited to their local situation.

4.7.4 Administration and Process

Municipalities are familiar with the regulatory framework for the Building Code. The inclusion in the Building Code of new standards related to smaller on-lot septic systems will require municipal staff to become familiar with system design issues, technologies, construction/installation methods, inspection timing and septic operation/maintenance issues. Training is being designed to assist municipalities take on this new responsibility.

The proposed legislation would give an inspector the power to attach conditions to the use of materials, systems or building designs in certain circumstances. These conditions may include conditions related to construction, operation or maintenance. Conditions will not be prescribed in the OBC, but rather left to the discretion of the chief building official as is done with conditional permits under the BCA.

The legislation would expand the definition of what constitutes an unsafe building in relation to septs. A sewage system (e.g., septic) would be deemed unsafe if it were not maintained or operated in accordance with the BCA or OBC. An inspector would be able to issue an order (as they do now for buildings), including the remedial steps needed to make the system safe. The legislation would expand the range of actions an inspector could require to make a building safe to include any action which the inspector considers necessary to protect the public. This could include the types of remedial actions that are typically taken in respect of septs (e.g., cleaning or emptying the system).

4.7.5 Financing

Financing for the inspection/approval of septic systems by municipalities will likely be carried out on a cost-recovery basis. Some municipalities may choose to fund these

services through the property tax base. Service costs will vary depending on the type of system, location of the system, volume of activity, etc., and will be determined at the local level.

4.7.6 Implementation Tools & Supporting Information

The ministry is currently identifying and developing the background/resource and training materials which will form the basis of the certification program for inspectors and installers. This material will include information from MOE's current Manual of Policy, Procedures and Guidelines for Onsite Sewage Systems and the new provisions in the Building Code.

The ministry is also evaluating the types of materials which could be used to support the certification program, e.g., demonstration videos.

4.7.7 Implementation Issues

Key implementation issues which decision-makers need to be aware of include:

- requirements for inspectors to be certified;
- new standards related to septics to be included in the Building Code;
- new provisions related to the enforcement of terms and conditions or prohibitions on the operation and maintenance of sewage systems;
- new provisions for enforcing standards related to the "use" of a sewage system. This is a new concept for the *Building Code Act*. This is because municipalities have an enforcement relationship tied to the BCA up until the point that construction ends (except where unsafe situations exist which were dealt with infrequently on an individual basis);
- determining the appropriate body to carry out septic standards enforcement;
- obtaining information and records from existing delivery agents (where municipalities take on septic standards enforcement); and
- how to address transitional issues.

A number of factors would likely be taken into account by municipalities in determining how septic standards enforcement should be carried out in their jurisdictions,

including:

- number of available municipal staff;
- ability of municipal staff to gain technical knowledge to carry out new functions;
- certification requirements;
- amount of septic systems work expected;
- desire and/or capacity of existing delivery agents (e.g., health units) to continue performing responsibilities, albeit under contract with municipality;
- ability/desire to share septic standards enforcement with other municipalities, whether upper or lower tier; and
- financial implications.

The changes would result in the loss of responsibility for septic standards enforcement by boards of health and conservation authorities and the transfer of that responsibility to municipalities. This will have workload impacts for these bodies. However, municipalities have a number of options for service delivery, including the development of agreements with boards of health to perform septic standards enforcement on their behalf or using staff from boards of health to perform inspections and/or investigate complaints (with decision-making remaining a municipal function).

At the same time as these changes are being considered, MOE is currently reviewing its regulation-making authority for other types of standards, certificates of approval, permits, etc. There are also changes taking place in the land use planning system with respect to municipal plan review responsibilities, e.g., municipalities taking on traditional provincial plan review/commenting responsibilities.

Issues related to the transition between the current regulatory regime and the proposed one are under consideration and once decisions are made, the ministry will notify interested stakeholders.

4.7.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Septic Systems		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">creates regulatory framework which ensures appropriate standards related to public health and environmental protection;	<ul style="list-style-type: none">determine the appropriate septic delivery mechanism in their jurisdiction;determine who should be certified as a septic inspector;
Service System Management	<ul style="list-style-type: none">sets standards for the construction, operation and maintenance of septic systems;establishes qualifications for septic inspectors;develops curriculum and exam standards;develops the administrative framework for ensuring that inspectors become certified;establishes appeal mechanisms for resolving disputes related to interpretation of the Building Code, suspensions / revocations of certifications, the use of new technologies, etc.;develops requirements for dealing with transitional matters	<ul style="list-style-type: none">provide one-window service to the development industry and the public;provide cost-effective inspection and approval servicesensure that staff are qualifiedset appropriate fee structuredevelop agreements with upper tiers, public health units or conservation authorities and or staff from these bodies to enforce septic standards
Service Delivery	<ul style="list-style-type: none">assigns septic standards enforcement responsibilities to public health units and conservation authorities in municipalities and unorganized territories in the North.	<ul style="list-style-type: none">enforce the provisions of the Building Code Act and the Building Code;address complaints related to septic systems;impose terms and conditions related to the proper operation and maintenance of septic systems.

Can municipalities address "use" issues in relation to septics, as opposed to simply addressing construction issues?

The imposition of terms and conditions by MOE in connection with a septic certificate of approval issued under the EPA was, in many situations, intended to deal with activities which occur after the construction of the system, e.g., monitoring, operation, reporting, etc. This principle has been reflected in the amendments to the *Building Code Act* (BCA) which will permit the attachment of ongoing conditions to the granting of a building permit by a chief building official.

Enforcement of terms and conditions or prohibitions on the operation and maintenance of sewage systems except in accordance with the BCA or OBC should be facilitated by the proposed amendments which would give municipalities the necessary tools to enforce adequate standards for sewage systems (e.g., expanding definition of "unsafe"). It is likely that municipalities will continue the past practice of MOE which was to enforce maintenance and operation standards for septics on a complaints basis. Alternatively, some municipalities may decide to implement proactive follow-up re-inspections for septics previously installed.

The principle of enforcing standards related to the "use" of a building or sewage system is related to the imposition of terms and conditions. This is a new concept for the BCA. This is because municipalities primarily have an enforcement relationship tied to the BCA up until the point that construction ends (except where unsafe situations exist which were dealt with infrequently on an individual basis).

What procedures are available for addressing complaints from property owners about nearby septic systems?

The proposed amendments to the BCA, EPA and OWRA embody the principle that municipalities will, in future, enforce standards respecting, for the most part, the construction of sewage systems. In the event of system failures and/or complaints, the municipality would also rely upon the BCA to remedy the actual sewage system, but not any problems (e.g., discharges of contaminants) impacting the natural environment.

Any subsequent remediation of significant contamination from a sewage system failure would remain the responsibility of MOE or health boards and be addressed through the array of powers provided by the EPA, OWRA or the *Health Protection and Promotion Act*. This is consistent with the past practice of MOE in its reliance upon the EPA's Section 79 Orders. These orders were almost exclusively related to fixing the actual system. Any other remediation requirements were enforced pursuant to other powers under the EPA (e.g., Part XI Control Orders or Part X Spills Orders).

The responsibilities of a municipality to address complaints could be directly related to the municipality's decision about how septic standards will be enforced in their jurisdiction. Options could include:

- dealing with complaints in a similar manner as is currently in place for buildings, e.g., by municipal staff;
- retaining the services of an employee of a health unit who has experience with septic systems to field and investigate complaints and make recommendations for follow-up action by the municipality; or
- entering into a formal agreement with a health unit or conservation authority to carry out all septic approvals and inspections, including addressing complaints from property owners.

4.7.10 Sharing Experiences

As municipal experiences with the approval and enforcement of on-site septic systems emerge, this section will be updated.

4.8 WATER AND SEWAGE

4.8.1 Overview: A New Legislative Framework

The *Water and Sewage Services Improvement Act* (Bill 107) is designed to clarify the roles and responsibilities for providing water and sewage services and to establish the most efficient way to run Ontario's water and sewage infrastructure. The Act received Royal Assent on May 27, 1997.

Municipalities own 75 per cent of the water and sewage facilities in Ontario, while the province holds title to the remaining 25 per cent. The Act transfers ownership of all provincially owned water and sewage facilities to the municipalities they serve.

As part of the transfer process, thousands of properties associated with water and sewage facilities will be conveyed to the new municipal owners. Transfers are expected to begin in late 1997 and be phased in over a one-to two-year period.

4.8.2 Governance Decisions

The transfer of the remaining 25 per cent of provincially owned water and sewage facilities to municipalities will consolidate ownership and control of the infrastructure at the municipal level of government in Ontario.

4.8.3 Implementation: Options and Requirements

Municipalities will be in control of their water and sewage infrastructure and will have the flexibility to make sound decisions for efficient service delivery. Municipalities selling water or sewage works to the private sector will have to repay all provincial construction grants for the works since 1978.

4.8.4 Administration and Process

The legislative and regulatory requirements for the operation of water and sewage facilities have not changed as a result of the transfer of ownership.

4.8.5 Financing

Municipalities remain, as they have always been, responsible for the financing and delivery of water and sewage services to their communities. However, the province recognizes that there are special cases where municipalities that are in financial need

may require assistance to address immediate health or environmental problems. On August 28, 1997, the \$200 million Provincial Water Protection Fund was announced. Funding will be available over three years to aid municipalities that require financial assistance to upgrade their water or sewage systems in response to immediate health and environmental problems.

4.8.6 Implementation Tools & Supporting Information

For area systems, the Ministry of Environment (MOE) will provide a framework to assist municipalities in developing a joint ownership and management arrangement that best meets the needs of the communities involved.

4.8.7 Implementation Issues

For the transfer of area systems (where water or sewage facilities serve more than one municipality and where serviced municipalities are jointly responsible for capital debts), the minister will initially provide municipalities with notice of a proposed framework for joint ownership and management of the system. Municipalities will have six months in which to submit alternatives or improvements to the proposed framework. The minister will then finalize the transfer order, with an effective date of the order to be no sooner than nine months from the initial notice.

For facilities that service only one municipality, the transfer order will specify the assets that are being transferred. Supplementary transfer orders will also be filed at local land registry offices to confirm the transfer of interests in land.

Area system transfer orders will be similar to those that service a single municipality, but will also define how the system will be jointly owned and managed.

Changes in municipal structures are being taken into consideration in the development and scheduling of the transfer orders.

4.8.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Sewer and Water		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none">• provides legislative framework• establishes performance standards	<ul style="list-style-type: none">• plan for the transfer of provincially owned sewer and water properties.• plan for full responsibility for sewer and water services
Service System Management	<ul style="list-style-type: none">• proposes framework for joint ownership where services cross municipal boundaries• enforces performance standards	<ul style="list-style-type: none">• plan and establish water and sewer facilities• plan for joint ownership where appropriate
Service Delivery	<ul style="list-style-type: none">•	<ul style="list-style-type: none">• own and control the management of water and sewer and sewage facilities

4.8.9 Qs and As

Since smaller municipalities may have difficulty in accessing capital, does the ministry have any plans for assisting smaller municipalities?

The Provincial Water Protection Fund, announced on August 28, 1997, will assist municipalities that are in need of financial assistance to identify and implement cost-effective solutions to deal with immediate public health or environmental problems with water and sewage infrastructure.

4.8.10 Sharing Experiences

As municipal experience with the transfer of provincial ownership of water's sewage services occurs, this section will be updated.

5

*Municipal Government -
Other Key Services & Related
Matters*

5. MUNICIPAL GOVERNMENT - OTHER KEY SERVICES AND RELATED MATTERS

5.1 PROVINCIAL OFFENCES

The Ministry of the Attorney General (MAG) proposes, in conjunction with the Who Does What initiatives, to transfer the administration and selected prosecutorial responsibilities for provincial offences to the municipal sector. The proposed model reflects an enhanced partnership with municipalities by transferring certain responsibilities for offences which proceed under the *Provincial Offences Act (POA)*. The transfer of responsibilities means new justice responsibilities as well as a new net revenue source for municipalities administering the *Act*.

5.1.1 Overview: A New Legislative Framework

Bill 108, *Streamlining of Administration of Provincial Offences Act, 1997* was introduced in January 1997 to amend the POA. It received Second Reading in February 1997, and completed clause by clause review in May 1997.

The responsibilities that are proposed to be transferred include:

- administrative functions, court support and most prosecutions for Part I offences, which are regulatory ticket offences. These offences have a maximum fine penalty of up to \$500.00 upon conviction;
- administrative functions for the remainder of Part II offences, which are parking tickets and not currently administered by municipalities (95 per cent of parking tickets are already handled by municipalities), and on-going court support for Part II trials; and
- administrative and court support activities for Part III offences (Regulatory, but arising from more serious circumstances or where no set fine exists for the offence). The province will continue to prosecute its own Part III offences.

Bill 108, if approved, would provide a framework for the province to enter into transfer agreements with municipalities for administration and prosecution of most POA offences. Agreements can be made with more than one municipality. Agreements would take the form of a transfer agreement between the province and the municipal partner.

The Bill also sets out the authority for provincial standards and sanctions in section 162(3):

Performance standards and sanctions shall be specified in the agreement; the municipality shall meet the standards and is subject to the sanctions for failure to meet them.

The Bill also provides a definition of performance standards as they relate to provincial offences, s.162(4):

"performance standards" includes standards for the conduct of prosecutions, for the administration of the courts and for the provision of court support services.

Actual performance standards are expected to be set out in the transfer agreements between the Attorney General and municipal partners.

The province is constitutionally responsible for setting standards and monitoring justice and will continue to do so.

Section 165 sets out the municipal partner's authority to collect and enforce fine payments and its obligations to remit certain amounts to the province and other municipalities.

The status of Bill 108 is as follows: it is in Committee of the Whole and is awaiting Third Reading and Royal Assent. It comes into affect upon receiving Royal Assent.

5.1.2 Governance Decisions

If Bill 108 is approved, the municipal sector will assume major responsibilities for staffing and operating POA courts. The Attorney General, constitutionally responsible for the administration of justice, will remain responsible for setting and monitoring program standards. The province will continue to be responsible for appointing Justices of the Peace, thereby ensuring independent adjudication of POA matters.

5.1.3 Implementation: Options and Requirements

The province will invite municipalities to participate in the transfer, based on specific selection criteria, which are under development. Selection criteria will include criteria for readiness and ability to meet provincial requirements and standards.

5.1.4 Administration and Process

The transfer agreement will set out reporting requirements, and municipal partners will be subject to audit by the Ministry of the Attorney General and the Provincial Auditor.

5.1.5 Financing

A key element of financing considerations is a new net revenue source for municipal partners. Municipalities will have the power to collect surcharges, fees and fines. First distribution of fine revenue collected will be sent to the Victims' Justice Fund (VJF). Municipalities retain the balance of fine revenue after the Victim Fine Surcharge (VFS), ongoing provincial costs and fines under the *Contraventions Act (Canada)* are remitted to the province.

5.1.6 Implementation Tools & Supporting Information

The Ministry of the Attorney General is developing a standard transfer agreement in the form of a generic Memorandum of Understanding (MOU). Local side agreements may also be used for some site-specific matters. A Guide to the MOU for all municipal partners will provide a user-friendly introduction to the transfer agreement approach.

The ministry will also provide access to and use of a common database, which is the Integrated Court Offences Network (ICON) computer system.

The following is a description and analysis of ICON, which is located and used at every Court office throughout the province to support the POA program.

Description:

ICON is a province-wide computer-based system designed to manage financial tracking systems, to schedule cases for trial, and to provide vital statistical information.

ICON Facts:

- in operation province-wide since November 1991, in over 50 court locations;
- provides online update and inquiry during business hours;
- updates overnight;
- monthly transaction volume of 4.4 million;
- there is a network of approximately 1400 devices province-wide;
- ICON can interact with LAN and/or WAN; and
- each court office has a controller plus terminals.

ICON Outputs:

- produces daily, weekly and monthly reports on financial transactions and case status information including scheduling, enforcement, document listings, audit trails;
- produces reports for enforcement agencies and disbursement reports for municipalities; and
- facilitates accounting processes reporting to ministry finance branch.

A key component of the system is the accurate transfer of data (conviction, enforcement and financial). Additional areas of information responsibility are listed below:

- Legislative Changes: the Ministry of the Attorney General responsible for the instruction, implementation and enhancements to ICON brought about by legislative changes.
- Security and Integrity of System: key aspects of the transfer of responsibilities:
 - d) Freedom Of Information (FOI),
 - b) system accessibility,
 - c) auditing of municipal users,
 - d) maintenance of security access,
 - e) Oath of Confidentiality.
- Accountability of Information and Transferring of Data: municipal partners will be responsible to ensure that all data are correct.
- System Training and Support: ICON hotline support is provided daily to users.
- Financial Control: every financial transaction is recorded by ICON. ICON produces daily, weekly, monthly financial reports; manages a reconciliation process; and distributes revenue to appropriate sources.
- Payments: to central payment offices. Current payment methods are to POA Court offices as well as through:
 - Ministry of Finance,
 - Inter Voice Response (IVR),
 - Service Ontario (Kiosks),
 - Central Fines Collection Service (CCS), and
 - Point of Sale technology.

Main Linkages With Other Systems:

- Ministry of Transportation - Driver licence and the Commercial Vehicle Operating Record (CVOR) systems;
- MAG Defaulted Fine Control (DFCC) system;
- Ministry of Finance;
- municipalities; and
- private data entry contractors.

5.1.7 Implementation Issues

Ministry of the Attorney General has established an inter-ministerial Transfer Team that is responsible for implementation and transition strategies. The Team will work closely with municipal partners in order to effect a smooth transition and minimize disruptions to the public and the justice system.

Any transfer of services currently delivered by the province raises the provincial government's collective agreement obligation to undertake "reasonable efforts" to transfer affected provincial employees to the new service provider.

5.1.8 Changing Roles and Responsibilities

Who Does What is changing provincial and municipal responsibilities. The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities.

Roles and Responsibilities: Provincial Offences		
	the province	municipalities
Strategic Planning	<ul style="list-style-type: none"> develops and monitors justice program standards establishes policy and monitors to ensure MOU requirements are met 	<ul style="list-style-type: none"> operational planning/program development
Service System Management	<ul style="list-style-type: none"> establishes partnerships and mentoring relationships continues to appoint and support independent adjudication delivers training for new service providers on legislation, program delivery and standards transition planning ensures transfer of equipment, operational, administrative and financial processes 	<ul style="list-style-type: none"> build capacity for transfer of responsibilities establish relationships with stakeholders implement new technology processes ensure that justice program standards are met implement and comply with POA procedures support training for municipal staff designate management staff
Service Delivery	<ul style="list-style-type: none"> manages program transfer to ensure continuous quality service delivery establishes Review Committee to monitor service delivery Review Committee reports to the Attorney General 	<ul style="list-style-type: none"> manage program implementation to ensure continuous service delivery provide quality services during implementation period and beyond

5.1.9 Qs and As

Why is the government doing this?

This transfer, which gives municipalities new responsibilities under the *Provincial Offences Act*, is consistent with the province's commitment to eliminating waste and duplication and to consolidating service delivery at one level of government. This is a new net revenue source for municipalities which can be spent on further improving local services, even after the costs of these new responsibilities are taken into account.

How will municipalities get to participate at this stage?

The Ministry of the Attorney General will soon send an invitation to all municipalities asking interested municipalities to make a submission outlining readiness plans as set out in a Municipal Partnership Criteria package which is currently being finalized.

Will there be inefficiencies in administering provincial offences over the next two or three years while municipalities learn how to do what the province already knows how to do?

The ministry is phasing in the transfer to avoid such problems. The ministry will be making the early agreements only with municipalities that can demonstrate readiness. In addition, in accordance with collective agreements, the ministry will be making reasonable efforts to ensure that municipalities make offers of employment to affected staff. These employees have expertise and knowledge of the work that is being transferred.

5.1.10 Sharing Experiences

As transition is completed, the Attorney General and the Municipal Partners will work together to improve services ("streamlining phase") to the public with the goal of putting in place the most modern, efficient and effective justice system attainable.

5.2 RESTRUCTURING TOOLS - BILL 26

5.2.1 Overview: A New Legislative Framework

In January 1996, the government passed the *Savings and Restructuring Act*. Part of the Act included amendments to the *Municipal Act*. These amendments provided permissive restructuring powers to counties, municipalities in counties, separated municipalities, municipalities in the north and unorganized territory. Specifically, sections 25.1 to 25.4 of the *Municipal Act* set out these permissive restructuring powers. Restructuring is just one tool that municipalities can use to deal with the changing provincial-municipal relationship.

The two types of restructuring allowed are either restructuring that is locally developed and implemented **or** developed and implemented by a commission. The main goal of the legislation is to provide municipalities with the authority to come up with locally developed restructuring proposals, which, if they achieved the prescribed level of local support, would be submitted to the Minister of Municipal Affairs and Housing for implementation.

In instances where that local support could not be achieved, a municipality, or a group of 75 inhabitants in unorganized territory, could request that the minister appoint a commission. In that case, the commission would develop and implement a restructuring proposal.

The government is considering providing similar restructuring powers to regions and their area municipalities.

5.2.2 Governance Decisions

As indicated above, before a local restructuring proposal can be implemented, it must receive the required level of local support. (The support mechanism is set out in Ontario regulation 216/97, as amended by regulation 422/96.) In general, the level of support required is a triple majority.

For example, if three municipalities in a county decide they want to amalgamate, the support required would be:

- support of County Council;
- support of a majority of the affected municipalities (two of three); and
- the two of three area municipalities which support the proposal must represent a majority of the electors in the entire affected area.

5.2.3 Implementation: Options and Requirements

When developing a local restructuring proposal, municipalities are to take into consideration the following principles:

- less government;
- effective representation system;
- best value for tax payers' dollars;
- ability to provide municipal services from municipal resources;
- a supportive environment for job creation, investment and economic growth.

It is up to the municipalities to determine if they have met these criteria.

In addition, when developing a proposal, consideration must be given to the powers available to the minister in implementing a proposal. Ontario Regulation 143/96 as amended sets out the powers of the minister or a commission when implementing a proposal through an Order. If the power is not set out in the regulation, the minister cannot implement that part of a local proposal.

Included in O. Reg 143/96 are powers around council composition, name of the new municipality, boundaries, wards, services to be provided, and financing issues as well as transitional powers.

5.2.4 Administration and Process

This section is not applicable.

5.2.5 Financing

Criteria for grant funds are still under consideration.

5.2.6 Implementation Tools & Supporting Information

The permissive legislative authority to restructure is just one tool that has been made available to municipalities to attempt to reduce duplication and overlap with a resulting reduction in costs.

Staff from the ministry's Regional Operations Branch are available to assist municipalities interested in using the permissive restructuring powers. In addition, all municipalities have received a copy of *A Guide to Municipal Restructuring*, which can help in the development of local restructuring proposals.

5.2.7 Implementation Issues

This section is not applicable.

5.2.8 Changing Roles and Responsibilities

This section is not applicable.

5.2.9 Qs and As

This section is not applicable at this time.

5.2.10 Sharing Experiences

Municipal experiences related to restructuring have been profiled at numerous conferences and workshops. AMO and municipal professional associations, such as MFOA, OMAA and AMCTO, have reference material and/or audio tapes. Ministry of Municipal Affairs and Housing's Regional Operation Branch will also have information.

5.3 AREA SERVICES BOARDS

5.3.1 Overview: A New Legislative Framework

In January 1997, the province announced that to ensure efficient delivery of social services under the realignment of social services delivery, there would be a total of 50 agents across Ontario for the delivery of social services. This requires consolidating and streamlining current systems to deliver and secure funding on an area-wide basis.

In Northern Ontario, there is no upper tier, regional or county government structure except in Sudbury. Consequently there is no mechanism to consolidate delivery and funding of services.

Initially, consolidation will be accomplished through legislation (Bill 142), by the Ministry of Community and Social Services (MCSS) to ensure area-wide delivery of mandatory social services. (See Section 3.) However, to address future unique needs of the North, the Ministry of Northern Development and Mines (MNDM) plans to re-introduce legislation, the *Northern Services Improvement Act*, which would, if passed by the Legislature, give northern communities the capacity to create Area Services Boards (ASBs). These boards could provide a broader range of services on an area-wide basis and would have a tax-levying authority to recover costs from participating municipalities and unincorporated areas alike.

5.3.2 Governance Decisions

Northern communities may submit plans for the consolidation of service delivery to the Ministry of Community and Social Services. This could take the form of a District Social Services Administration Board (DSSAB) or a single municipality delivering services on behalf of a larger area. If no proposal is submitted, or if the submission is not acceptable, the Minister of MCSS will ensure that a DSSAB is put in place.

5.3.3 Implementation: Options and Requirements

Northern communities will need to consolidate delivery of services within a framework provided by the Ministry of Community and Social Services (Section 3) to meet the immediate requirements of realigning local government service delivery responsibilities. Responsibility for delivering and funding a broader range of services could be phased in later, under the auspices of an Area Services Board (ASB), if MNDM's *Northern Services Improvement Act* is approved by the Legislature.

As many northern areas are already advanced in their plans for developing Area Service Boards, it is advisable for them to continue to build on this work, and to define their service areas, community representation formulas and accountability for managing the prescribed services. These could be used as the basis of planning for a DSSAB, and eventually, if the legislation is passed, could evolve into an Area Services Board. These plans must be submitted to the Ministry of Community and Social Services by March 31, 1998.

5.3.4 Administration and Process

This section is not applicable at this time.

5.3.5 Financing

It is proposed that Area Services Boards would have some form of tax-levying authority.

5.3.6 Implementation Tools & Supporting Information

This section is not applicable at this time.

5.3.7 Implementation Issues

This section is not applicable at this time.

5.3.8 Changing Roles and Responsibilities

This section is not applicable at this time.

5.3.9 Qs and As

This section is not applicable at this time.

5.3.10 Sharing Experiences

This section is not applicable at this time.

5.4 LABOUR RELATIONS TRANSITION - BILL 136

5.4.1 Overview: A New Legislative Framework

The Public Sector Transition Stability Act (Bill 136) was proclaimed on October 29, 1997. The bill provides employers, employees and unions in the broader public sector with processes to resolve complex labour relations issues that are expected during restructuring, while protecting the rights of all employees, unionized and non-unionized.

Restructuring Issues: The *Public Sector Labour Relations Transition Act*

If the workplace parties are unable to deal with the complex labour relations issues that result from restructuring, the Ontario Labour Relations Board (OLRB) is given new powers to deal expeditiously with issues such as:

- the make-up of new bargaining units. The OLRB will be directed to consider what kind of bargaining unit(s) make sense for the new workplace. At the same time, the OLRB will remain sensitive to distinct occupational groups such as nurses;
- which union would represent the employees in the new workplace. This will be decided by a mandatory vote (except where the unions involved agree among themselves);
- seniority and other issues that arise when employees from different workplaces are merged together in a new or restructured organization.

To ensure a smooth transition to improved public services, the legislation provides:

- employers and unions with the ability to negotiate a new post-amalgamation collective agreement when none of the previous collective agreements are appropriate;
- the first post-amalgamation contract is covered by the first contract arbitration provisions of the *Ontario Labour Relations Act* in the municipal and non-teaching school board sectors. These provisions, introduced in 1986, allow the OLRB -- under certain conditions -- to order binding arbitration to settle the first contract. For example, the OLRB could order binding arbitration if it found that one of the parties had taken an uncompromising bargaining position without justification;
- a new, expedited hearings process to resolve labour relations issues arising out of restructuring in a more timely and less disruptive way.

The legislation also includes:

-
- mandatory seniority rules that treat non-union employees fairly in the amalgamation process;
 - a requirement that a democratic secret ballot be held to determine which union will represent a new bargaining unit when two or more unions have represented the employees in bargaining units which are being merged (except where the unions involved agree among themselves). If 40 per cent or more of the new bargaining unit members were not members of a union, an option of no union representation must appear on the ballot;
 - specific protections for non-union employees when a first contract is being negotiated.

Arbitration Issues: *The Public Sector Dispute Resolution Act*

Bill 136 also makes changes to the existing interest arbitration systems set out in the *Fire Prevention and Protection Act*, the *Police Services Act*, the *Public Service Act* and the *Hospital Labour Disputes Arbitration Act*, which deal with collective bargaining in the police, fire and hospital sectors, where strikes are not permitted.

The interest arbitration reforms stress negotiated settlements instead of arbitrated contracts, and provide for expedited time lines to ensure prompt resolution of disputes and the use of alternate dispute resolution processes such as mediation-arbitration or final offer selection. As well, arbitrators appointed in the police, fire and hospital sectors are required to consider criteria such as the ability to pay, the economic situation in the province and municipality, and the extent to which services may have to be reduced if current funding and taxation levels remain unchanged.

Bill 136 introduces change, while continuing to provide for police, fire and hospital arbitration to be dealt with on a sector-by-sector basis as currently happens. Under the legislation:

- Arbitrators appointed in the police, fire and hospital sectors will be required to consider criteria including the employer's ability to pay.
- In addition, every arbitration related to public sector restructuring will have to include consideration of the following purposes:
 - ▶ to ensure the expeditious resolution of disputes during collective bargaining;
 - ▶ to encourage settlement of disputes through negotiation; and
 - ▶ to encourage best practices that ensure the delivery of quality and effective public services that are affordable for taxpayers.
- Expedited arbitration procedures and other processes which encourage negotiated

settlements will be introduced in order to deal with the extensive time delays in the current system. Various procedures will be available, including mediation, mediation-arbitration and final-offer selection.

Pay Equity Act Amendments

Bill 136 contains amendments to the *Pay Equity Act* that provide greater flexibility in establishing pay equity adjustments where there is a sale of a business including an amalgamation.

GRAND & TOY

VERSATILE 368 - 1 1/2"

BLACK	99568	NOIR
RED	99570	ROUGE
LT. BLUE	99563	BLEU
DK. BLUE	99569	BLEU
GREEN	99573	VERT
GREY	99571	GRIS
BURG.	99566	BOURG.
YELLOW	99572	JAUNE

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